

MICROCAPITAL BRIEFS | TOP STORIES

POSRocket Raises \$5m to Expand Tech for Small Firms in MENA

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

El Salvador Rolling Out App, ATMs, Kiosks for New Official Currency Bitcoin

President Nayib Bukele of El Salvador recently announced that his country is setting up 200 automated teller machines (ATMs) and 50 staffed kiosks to facilitate exchanges of the cryptocurrency bitcoin into US dollars for withdrawal as cash. All transactions will be conducted through the government's new app, Chivo, with no transaction fees. The announcement comes as El Salvador is adopting bitcoin as legal tender as of September 7. Among the motivations for encouraging the use of bitcoin is to reduce the cost of remittances sent to individuals in El Salvador from other countries. August 30, 2021


SoftBank Leads \$400m Equity Round for Fintech OPay of Nigeria

Through its SoftBank Vision Fund 2, the Japanese conglomerate SoftBank recently led an investment package totaling USD 400 million in the Nigeria-based financial technology (fintech) firm OPay, a mobile payment platform. The funding round values OPay at USD 2 billion. Additional investors in this round include DragonBall Capital, Redpoint China, Sequoia Capital China, SoftBank Ventures Asia, Source Code Capital and 3W Capital. The levels of participation by each investor have not been disclosed. SoftBank Managing Director Kentaro Matsui stated, "We believe our investment will help the company... replicate its successful business model in Egypt and other countries in the region." OPay was created in 2018 when the internet services firm Opera acquired Pay-Com from the "digital transformation company" Telnet Nigeria. Opera was founded in Norway and bought by a Chinese consortium in 2016. It is listed on the US-based NASDAQ stock exchange and reported net income of USD 28 million for the third quarter of 2019. August 27, 2021

Former Director of Nigeria's Workman MFB Jailed for 5 Years

Sarita Aliyu Bello, the former Managing Director of Nigeria's Workman Microfinance Bank, recently was sentenced to five years in prison after pleading guilty to charges issued by the country's Economic and Financial Crimes Commission. In 2020, Ms Bello used a colleague's access codes to generate and approve fraudulent loan requests resulting in disbursements to herself. In addition to serving the prison sentence, Ms Bello was ordered to repay the equivalent of USD 9,200 to the bank, which is located in the state of Bauchi. August 23, 2021

Fincare SFB of India Wins Approval for \$180m IPO

The Securities and Exchange Board of India recently approved plans by Fincare Small Finance Bank (SFB), an Indian microfinance provider, to proceed with an IPO to raise up to the rupee-equivalent of USD 180 million, of which USD 130 million would be sold by Fincare Businesses Services, the majority owner of Fincare SFB. Based in the city of Bengaluru, Fincare SFB was founded as a microlender in 2007 and received its SFB license in 2017. The firm promotes financial inclusion by providing individuals - as well as micro-, small and medium-sized enterprises - with financial services such as loans for business, housing and vehicles; loans secured by gold; savings; non-resident Indian banking services; debit cards; and access to automated teller machines. Fincare SFB serves 2.5 million customers in 15 states and union territories with total assets of USD 971 million, a gross loan portfolio of USD 663 million and customer deposits of USD 635 million. For the 2020 fiscal year, it reported return on assets of 2.4 percent and return on equity of 18 percent. August 9, 2021 

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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 not all of our colleagues are able to do so. We wish you and your loved ones good health and resilience during this time.

MICROCAPITAL BRIEFS

Light Microfinance Raises \$9.4m for Women in Rural India

Light Microfinance, a non-banking finance institution in India, recently raised equity capital from three European organizations: USD 4 million from Nordic Microfinance Initiative (NMI), a Norway-based public-private partnership active in Africa and Asia; USD 3 million from ASN Mikrokredietpool, a microfinance fund managed by Netherlands-based Triple Jump; and the equivalent of USD 2.4 million from Incofin Investment Management, a Belgium firm seeking “to promote inclusive progress.” Founded in 1994, Light Microfinance offers loans of USD 340 to USD 4,000 with periods of one to two years, primarily for women in rural areas. The microlender reports total assets of USD 54 million, 185,000 customers and 1,000 employees staffing 119 branches in the states of Gujarat, Madhya Pradesh and Rajasthan. August 26. 2021

Deetken Invests in Pro Mujer Mexico via Ilu Women's Fund

Canada-based asset management company Deetken Impact and US-based NGO Pro Mujer recently announced they are making an investment of undisclosed size in Pro Mujer Mexico from the investment vehicle they co-manage, the Ilu Women's Empowerment Fund. Established in 2001, Pro Mujer Mexico is a unit of Pro Mujer with 25 branches in six states providing healthcare; group and individual loans; and education in business, finance, health and human development. Of its clients, 92 percent are women. Established in 1990 in Bolivia, Pro Mujer operates in Argentina, Bolivia, Guatemala, Mexico, Nicaragua and Peru. Launched in 2016, Ilu has secured commitments of USD 28 million to support the delivery of health care, financial literacy training, loans and renewable energy. August 24. 2021

Philippines Moving to Boost Rural Financial Inclusion, Education

The Committee on Rural Development of the Philippines' House of Representatives recently approved a bill that would implement a “financial and digital literacy program” to boost access to financial services - including technology (fintech) - particularly for fishermen, informal workers, farmers and other people living in rural areas. The program would deliver content on financial concepts and how to apply them via partnerships with financial institutions. The bill also includes a capacity building component to promote the usage of fintech within rural financial institutions. Alfred De Los Reyes, the Vice Chair of the committee, said the proposal “addresses issues on financial awareness, trust, inclusion and access. This bill aims to empower Filipinos to be more financially stable and capable to pursue personal and economic development.” August 24. 2021

Let's Eat Bai, RMF Link Food Retailers to Online Sales, Deliveries

A unit of Philippines-based Ramon Aboitiz Foundation Incorporated (RAFI), RAFI Micro-finance Incorporated (RMF), recently began a partnership with Let's Eat Bai (LEB), an online delivery and advertising service in the Philippine city of Cebu. RMF has linked the Facebook group it developed for its clients, Tindahan ni Nanay (TNN), with LEB to provide “access to [a] wider online market and to promote business transformation among RAFI's micro-entrepreneurs through online platforms.” Among the goals is to aid companies in their adjustment to the COVID-19 pandemic. Jonar Dorado, the COO of RMF, stated, “Aside from the marketing and promotional support that we will be providing, we will be endorsing pre-screened riders [delivery drivers] to Let's Eat Bai.... There will also be opportunities for training and development for RAFI Microfinance clients, riders and LEB merchants.” RMF provides loans up to the equivalent of USD 6,300 as well as services relating to financial literacy, marketing, technology, insurance and developing value chains. RMF launched TNN in May 2021, and the group has since grown to include 4,400 members and 175 merchants. August 20. 2021

Citi, DFC, IDB Invest \$30m in CAME for SMEs, Women in Mexico

Consejo de Asistencia al Microemprendedor (CAME), a Mexican microfinance institution, recently agreed to borrow the local-currency equivalent of USD 15 million each from: (1) IDB Invest, a member of the Inter-American Development Bank (IDB) Group; and (2) a partnership between the US-based bank Citi and the government-backed US International Development Finance Corporation. The proceeds of the second loan are to be deployed to small and medium-sized enterprises (SMEs) in regions deemed more vulnerable to financial shocks. In support of the first loan, IDB Invest will provide advisory services to help CAME introduce “a social bond with a gender focus.” This initiative is part of the Women Entrepreneurs Finance Initiative (We-Fi), which operates from the offices of the World Bank Group. CAME's services include deposits, loans, payments and insurance for microentrepreneurs as well as SMEs. Its loan products include group and individual loans ranging from USD 150 to USD 50,000, with terms of 24 weeks to three years. CAME, which has 239 branches in 31 states, reports assets of USD 170 million. August 18 and August 19. 2021

IDB Commits \$15m to Belize for Gender, Climate, COVID-19 Loans

The Inter-American Development Bank (IDB), a US-based multi-lateral institution, recently loaned USD 15 million to Belize to provide “production-oriented capital” to 200 micro-, small and medium-sized enterprises (MSMEs). The funding is intended to assist MSMEs, particularly those led by women, in overcoming liquidity problems related to the COVID-19 pandemic, thus preserving jobs. The focus is on sectors that have been more severely affected by the pandemic, such as agriculture, fishing and tourism. Thirty percent of the funding package is earmarked for business models deemed resilient to climate disasters. The loan is to be repaid to IDB over 25 years, including a grace period of five years. In partnership with Development Finance Corporation Belize, a state-owned retail lender, IDB also plans to deliver “gender-awareness training for loan officers” and develop gender-specific, non-financial services to support women entrepreneurs. August 17. 2021

Samunnati Raises \$4.6m for Green Agriculture in India

India's Samunnati Financial Intermediation & Services, which serves actors in agricultural value chains, recently raised the rupee-equivalent of USD 4.6 million in a bond issue handled by Symbiotics, an impact investing platform based in Switzerland. The parties have agreed to comply with the Green Bond Principles set by the International Capital Market Association Group, an NGO based in Switzerland. The goal is to promote agricultural methods such as those that reduce the release of greenhouse gasses and increase resilience to climate change. Samunnati Financial, which operates in 14 Indian states and employs 270 people, generated profits of USD 1.3 million during the 2019 fiscal year. In addition to providing loans with terms of up to five years, the firm supports farmers with offerings such as telephone-based agricultural advice. Samunnati Financial is a member of the Samunnati Group, which also controls Samunnati Agro Solutions, a provider of agricultural technology services. August 16. 2021

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Please refer to MicroCapital.org for the sources of the information appearing in this publication. Among these, we recognize CGAP's FinDev Gateway for its outstanding work disseminating information on financial inclusion. Thank you!

CDC Lends ComBank \$50m for SME, Climate Finance in Sri Lanka

The CDC Group, a development finance institution backed by the UK government, recently agreed to lend USD 50 million to the Commercial Bank of Ceylon (ComBank) to fund loans to small and medium-sized enterprises as well as climate projects that support Sri Lanka's goals "to become energy self-sufficient by 2030 and reach 100 percent renewable energy generation by 2050." Founded in 1920, ComBank claims to be a "wholly carbon neutral bank." It has subsidiaries providing financial, information technology and property development services in Bangladesh, Italy, Myanmar and Sri Lanka. August 12, 2021

KRK Borrowing \$2.3m from EBRD for Green Housing Loans

Kreditimi Rural i Kosoves (KRK), a microfinance firm in Kosovo, recently accepted an unsecured loan worth up to the euro-equivalent of USD 2.3 million from the UK-based European Bank for Reconstruction and Development's (EBRD's) Western Balkans Green Economy Financing Facility II. KRK plans to on-lend the funds for upgrades to private homes such as thermal and photovoltaic solar panels, solar lighting, and energy-efficient appliances. The funding package for KRK is divided into two tranches, with the initial commitment from EBRD limited to 75 percent of the total. The loan has a tenor of 3 years, including a one-year grace period before repayments are to begin. Based in the city of Pristina, KRK offers loan products designed for farmers, traders, and small and medium-sized enterprises. The microlender has a network of 26 branches and a loan portfolio of USD 50 million. The institution has served 137,000 clients since its inception in 2000. August 12, 2021

MFIs in Cambodia Restructured \$1.7b in Microloans in Early 2021

The nonprofit Cambodia Microfinance Association (CMA) reports that its 114 members restructured a total of USD 1.7 billion in loans during the first six months of 2021. At the beginning of the year, microborrowers filed approximately 1,000 loan restructuring applications weekly. However, with the onset of the third wave of COVID-19 infections in Cambodia, this number rose to 20,000 applications per week during April and May before declining to 2,000 weekly as of July. The National Bank of Cambodia (NBC), the country's central bank, stated that financial institutions of all types have restructured loans worth the equivalent of USD 5.5 billion for 370,000 borrowers in the country from January 2021 to June 2021. This follows the restructuring of USD 4.2 billion in loans during 2020, in accordance with a directive issued by NBC during the early stages of the pandemic. The restructuring has included extensions of credit periods, lowering of monthly payments and "in extreme cases" complete suspensions of repayments for up to six months. During this process, NBC has given priority to the transportation, garment, construction and tourism sectors, as they have been impacted more than others by the pandemic. August 11, 2021

CDC, HBL to Share Risk to Boost Supply Chains, Trade in Asia

CDC Group, a development finance institution backed by the UK government, recently announced a risk-sharing facility valued at USD 50 million in partnership with Habib Bank Limited (HBL) UK, a subsidiary of Pakistan-based HBL. The facility aims to boost HBL UK's ability to lend to financial institutions and businesses whose supply chains have been disrupted by the COVID-19 pandemic. In particular, the focus is on imports of "food and agricultural commodities, metals, machinery and other essential resources" to Bangladesh, Pakistan and Sri Lanka. In addition to these countries, HBL has operations in Bahrain, Belgium, China, Lebanon, Maldives, Mauritius, Oman, Singapore, Switzerland, Turkey and UAE. Meanwhile, a portion of the funds is to be leveraged to increase African banks' lending and access to foreign exchange. HBL is to carry out this element of the agreement via its affiliates in Burundi, Kenya, Tanzania and Uganda. Established in 1961, HBL UK reports total assets equivalent to USD 762 million. Founded in 1940, HBL operates 1,700 branches serving 20 million customers. For 2020, it reported total assets of USD 24 billion, return on assets of 0.9 percent and return on equity of 14 percent. August 11, 2021

Allianz Commits \$24m to Huruma Fund, Investor in Rural Finance

Huruma Fund, a public-private partnership that invests in lenders to smallholder farmers in low- and middle-income countries, recently accepted an investment equivalent to USD 24 million from the German financial services firm Allianz Group as part of the fund's final closing. Since its launch late in 2020, Huruma has attracted a total of USD 107 million from private investors plus USD 36 million in debt and first-loss funds from government sources. Huruma is led by Compañía Española de Financiación del Desarrollo (COFIDES), a development finance institution backed by the government of Spain. Gawa Capital Partners, a private firm based in Spain, serves as the fund's investment advisor. August 10, 2021

POSRocket Raises \$5m to Expand Tech for Small Firms in MENA

POSRocket, a Jordan-based provider of point-of-sale (POS) technology, recently raised USD 5.1 million in an equity round led by Algebra Ventures, an Egypt-based technology investor, and Sanad Fund for MSME, a Luxembourg-based vehicle targeting micro-, small and medium-sized enterprises (MSMEs) in the Middle East and North Africa. For a list of the other participating investors, please refer to <https://microcapital.org>. POSRocket CEO Zeid Husban said, "We want to be in the hands of every merchant, no matter what shape or size. The integrated POS ecosystem coupled with e-payments is a necessity for a business to survive and grow in today's marketplace." POSRocket provides cloud-based POS services, reports, analytics, inventory management, customer relations management and call-center services. The firm's technology reportedly is in use by "thousands of merchants with an aggregate transaction value of over USD 2 billion" in Egypt, Jordan and Kuwait. POSRocket also is preparing to expand to Saudi Arabia. This investment round brings the company's total funding to USD 7.2 million. August 10, 2021

IFC Lends to Garanti BBVA Leasing Romania for Women's Firms

The International Finance Corporation (IFC), a member of the World Bank Group, recently loaned the euro-equivalent of USD 12 million to Garanti BBVA Leasing Romania, which is controlled by Spain's Banco Bilbao Vizcaya Argentaria (BBVA). The investment is intended to support microenterprises as well as small and medium-sized enterprises (SMEs) in their efforts to continue their operations and preserve jobs as they adjust to the impacts of the COVID-19 pandemic. Forty percent of the total is earmarked for women-owned enterprises. Okan Yurtsever, the General Manager of Garanti BBVA Leasing, said, "We have a long-standing partnership with IFC and became in 2017 the first leasing company in Romania that financed women-owned or -managed SMEs." The loan is backed by the Women Entrepreneurs Opportunity Facility - a joint initiative of the IFC and Goldman Sachs 10,000 Women program - which promotes access to financial services for women-owned SMEs in developing countries. Garanti BBVA Leasing Romania, which is a unit of the Garanti BBVA Romania Group, offers vehicle fleet management services as well as leasing for commercial equipment, vehicles and real estate. August 9, 2021

HDFC Borrows from IFC for Green Housing in India

The World Bank Group's International Finance Corporation recently approved a loan of USD 250 million to Housing Development Finance Corporation (HDFC), a home lender based in India. One quarter of the loan funds is reserved for funding homes with "green" features such as solar panels, low-flow water fixtures and energy-efficient appliances for households earning less than the rupee-equivalent of USD 1,000 per month. HDFC, which was founded in 1994, reports having financed 8.4 million houses since its inception. It offers a range of loan types, including for home purchases and home improvements, and it also holds USD 21 billion in client deposits. Beyond India, it provides consulting services in 18 countries in Asia, Africa and Eastern Europe. HDFC reports a total of USD 77 billion in assets under management. August 8, 2021

BlueOrchard Raises \$207m for COVID-19 MSME Support Fund

BlueOrchard Impact Investment Managers, a unit of the UK-based Schroders Group, recently announced it has raised USD 207 million for the second close of its COVID-19 Emerging and Frontier Markets MSME Support Fund, which is intended to counter “the economic consequences of the COVID-19 pandemic” among micro-, small and medium-sized enterprises (MSMEs) in low- and middle-income countries. The new investors in the funding round include IDB Invest, a member of the Inter-American Development Bank (IDB) Group, which committed USD 35 million, and the US-based Visa Foundation, which committed an undisclosed sum. For a list of the other participating investors, please refer to <https://microcapital.org>. The COVID-19 Fund had invested in 14 institutions in 13 countries in Africa, Eurasia and Latin America as of early 2021. August 5. 2021

EBRD, EU Lending to ProCredit Ukraine for Green Tech for MSMEs

The UK-based European Bank for Reconstruction and Development (EBRD) and the EU recently announced they are lending the equivalent of USD 30 million to ProCredit Bank Ukraine for on-lending to micro-, small and medium-sized enterprises (MSMEs). The funds, which are denominated in a mix of euros and Ukrainian hryvnia, are sourced from the EU4Business-EBRD Credit Line, which funds MSMEs in Georgia, Moldova and Ukraine to “invest in equipment, machinery and technology that meets European Union (EU) standards for product quality, health and safety measures as well as environmental protection.” Of the loan to ProCredit Bank Ukraine, 70 percent is earmarked for investments that reduce environmental impacts, such as solar panels, biogas generators, high-efficiency production equipment, waste recycling systems and no-till agricultural equipment. The EU is supporting the retail loans with non-repayable funds for technical assistance and borrower incentives. ProCredit Bank Ukraine is a member of Germany-based ProCredit Group that has USD 960 million in total assets. ProCredit banks operate in Ecuador and 11 European countries. August 4. 2021

Fintech Dinie of Brazil Raises \$24m in Equity, Debt

Dinie, a financial technology (fintech) lender in Brazil, recently raised USD 3.8 million in a seed funding round led by two US-based entities, K50 Ventures and Accion Venture Lab, a unit of the US-based NGO Accion. The other participants were Capital Lab and Domo Invest of Brazil, Flourish Ventures and Tribe Capital of the US, and multiple individual investors. Separately, Dinie borrowed USD 20 million from Brazil-based Empirica Investimentos to complete a pending securitization. Dinie deploys its products within third-party online platforms that service micro-, small and medium-sized enterprises (MSMEs). These products include overdraft, risk management and capital market services; payment solutions; and a buy-now-pay-later product called DiniePay. Dinie's third-party partners include MovelPay's iFood, a banking platform for restaurants; dLocal, a payment platform; and Elo7, an online marketplace. Dinie uses these platforms' data to evaluate MSME's requests for credit and adjust their credit lines. From 2019 through 2020, the firm disbursed 1,500 loans. August 3. 2021

Agricover Borrows \$9m from EIB for Farms in Romania

Agricover Credit, a non-bank funder of agribusinesses in Romania, recently borrowed the euro-equivalent of USD 8.9 million from the EU's European Investment Bank (EIB). The goal is to increase access to loans for small- and medium-scale farmers “to develop their farm activities in a sustainable way.” This is the second and final tranche of a loan agreement under which Agricover Credit received an equal sum from EIB in 2020. Founded in 2007, Agricover Credit is a subsidiary of Agricover Group, whose other members are a distributor of agricultural technologies, a meat processor and a provider of digital technologies for farmers. As of year-end 2020, Agricover Group employed 960 people, was valued at the local-currency equivalent of USD 81 million and had generated one-year profits of USD 18 million. During the same year, Agricover Credit disbursed loans totaling USD 380 million, generated profits of USD 10 million and employed 160 people. July 30. 2021



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NEWS FROM AFRICA

Forest Capital Acquires Kayvee MFB of Nigeria to Boost Agritech

Forest Capital, a unit of Nigeria-based Farmforte Limited, recently acquired Nigeria's Kayvee Microfinance Bank for an undisclosed price. Among Farmforte's services is facilitating access to local and global markets to help smallholder farmers earn higher and more stable incomes. Farmforte Co-CEO Osazuwa Osayi reportedly said, "Our multi-pronged enterprise growth strategy is ever-reliant on the financial and technological advancement of our growing 112,000 smallholder farmer network... [via] disruptive banking services, and wider sector focus on mobile-first, personalized banking..." Kayvee is a digital institution that provides loans and savings services to 37,000 individuals and small businesses. Its loans range in size from USD 12 to USD 9,700. August 25, 2021

Consortium Connects SMEs with Legal Entity Identifiers in Africa

Four organizations recently launched an effort to equip small and medium-sized enterprises (SMEs) in Africa with Legal Entity Identifiers (LEIs), 20-digit codes linked to "business card and ownership structure information... which can be verified quickly and efficiently..." The participating entities are the South African nonprofit Center for Financial Regulation and Inclusion (Cenfri), US-based Cornerstone Advisory, Switzerland's Global Legal Entity Identifier Foundation; and the UK-based London Stock Exchange Group. The London Stock Exchange is issuing the LEIs via validation agents, the first of which is NMB Bank Limited of Zimbabwe. Barry Cooper, the technical director at Cenfri, argued, "The high costs of institutional due diligence and information asymmetries [are] a core element of the exclusion of small and medium enterprises, and even some corporates, from regional and international markets. A robust global enterprise identity opens up an under-represented large base of SMEs and women-owned businesses to trade across Africa as well as across the global markets." August 23, 2021

IFC, FMO Loaning \$50m to I&M Bank for SMEs in Kenya

The International Finance Corporation (IFC), the private-investment arm of the World Bank Group, along with Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (FMO), a Dutch public-private partnership, recently announced a loan package of USD 50 million for I&M Bank Limited, which is owned by the Kenya-based I&M Group. The funds are intended to increase access to working capital for small and medium-sized enterprises in Kenya - primarily those active in trade, manufacturing and construction - as they adjust to the COVID-19 pandemic. IFC is providing USD 30 million of the total, while FMO is lending the remainder. Alongside the loan funds, IFC and FMO will support the training of I&M Bank staff in "green financing," such as lending for renewable energy systems and "climate smart agriculture," which is intended to decrease emissions and mitigate vulnerability. Founded as a community financial institution in 1974, I&M Bank transformed into a commercial bank in 1996. It reports assets equivalent to USD 2.5 billion. I&M Group, a publicly traded firm, has additional holdings in Mauritius, Rwanda, Tanzania and Uganda. August 18, 2021

FINCA DRC, Flash Expand Mobile Financial Services in Congo

FINCA Democratic Republic of Congo (DRC), a unit of US-based FINCA Impact Finance, recently announced a partnership with Flash International, a DRC-based financial technology (fintech) company. FINCA customers will gain access to Flash App, Flash International's mobile financial services platform, while Flash customers will gain access to the financial services offered by FINCA. The Flash App is used by 2 million customers as an e-wallet to access remittances, pay bills, and purchase services such as television subscriptions and cinema tickets. Flash International operates 90 branches in Cote d'Ivoire, DRC and Republic of Congo. FINCA DRC serves 450,000 clients with 21 branches in DRC, aiming to "enable people to accumulate sustainable wealth, create jobs and improve their standard of living." Its offerings include savings accounts, loan products, and payment services for school fees and taxes. FINCA Impact Finance is partially held by the US-based NGO FINCA International, which was launched in 1984 as the Foundation for International Community Assistance (FINCA). FINCA Impact Finance comprises 20 banks and microfinance institutions delivering savings, loans and other services to 2.7 million customers in Africa, Eurasia and Latin America. August 6, 2021

Alpha Direct of Botswana Expands Insurance Service to Zambia

Botswana-based insurance underwriter Alpha Direct recently expanded its operations to Zambia using the trade name Alpha Insurtech Zambia. Alpha Insurtech is partnering with Zambia-based General Alliance Insurance to offer short-term insurance such as to cover vehicles. Meanwhile, Alpha Direct is undergoing an equity raise under the advice of Verdant Capital, a Mauritius-based corporate finance firm, to support the following five-year goals: offering long-term insurance; opening offices in Egypt, Kenya, Nigeria and South Africa; and distributing its products in an additional 10 countries in Africa. In addition to Botswana and Zambia, Alpha Direct is active in South Africa. Its lead product, "insurance-in-a-box," is sold in retail outlets "with a cloud-based activation and policy management platform." The product targets the "previously uninsured" with coverage for motor vehicles and accidental death. Alpha Direct also offers business, home and other insurance products. The firm served 100,000 customers during the first half of 2021, with 60 active distribution points in Botswana and eight in Zambia. Data on the firm's operations in South Africa have not been released. August 4, 2021

REGMIFA Raises \$10m from FMO for MSMEs in Africa

The Regional MSME Investment Fund for Sub-Saharan Africa (REGMIFA), a fund that invests in micro-, small and medium-sized enterprises (MSMEs), recently accepted an investment of USD 10 million from Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (FMO), a Dutch public-private partnership. The purpose of REGMIFA is to encourage economic development and reduce poverty by bolstering income generation and employment. The new funding increases the volume of REGMIFA to approximately USD 160 million. August 3, 2021

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SPECIAL FEATURE

This feature is part of a sponsored series on the SAM 2021, which is organized by ADA, the Microfinance African Institutions Network, the African Rural and Agricultural Credit Association, and the Association of Microfinance Institutions in Rwanda, with the support of the Directorate for Development Cooperation and Humanitarian Affairs of Luxembourg and the government of Rwanda. The event is scheduled to take place from October 18 to October 22 in Kigali, Rwanda. MicroCapital has been engaged to promote and document each of the SAMs since 2015.



What About the SAM 2019 Convinced 3 Innovators to Return for the SAM 2021?

The SAM (Semaine Africaine de la Microfinance - African Microfinance Week in French) is a major five-day gathering dedicated to inclusive finance in Africa. Since the first SAM in 2013, the SAM has consistently offered a true ecosystem of events, including a two-day conference that this year will deeply explore the resilience of the sector and the populations it serves, thanks to the participation of a range of high-level speakers and panelists. Before and after the conference, participants will meet new partners and learn new skills at the Investors' Fair, the Innovators' Village and a wide assortment of free training sessions and workshops.

The Innovators' Village is a key element of the SAM, showcasing innovative solutions that strengthen the resilience of individuals and organisations in the inclusive finance sector. It is also a meeting place, creating opportunities for synergies among a myriad of actors in the sector. At the Innovators' Village, you'll find a range of organisations that can strengthen the resilience to shocks of African institutions and populations through concrete tools, methodologies, products and services. Exhibitors will meet new potential customers and investors to develop their businesses, as well as partners for new projects. Practitioners likewise will identify innovative solutions that meet their needs and find potential partners and investors. Funders can identify innovative solutions with high potential for both social and financial returns.

Probably the most effective way to understand the value of the Innovators' Village is through the words of leaders who have participated as exhibitors in the past and will return for this next edition of the SAM, which will take place in Kigali, Rwanda, from October 18 to 22, 2021.

Jarek Chuchla, Microfact Coordinator: *Every single edition of the SAM is a celebration of inclusive finance in its best form. Perfect organisation - along with impressive programing, trainings and meetings - has made this event the largest networking platform for microfinance institutions (MFIs) and their stakeholders in Africa.*

For Microfact, the SAM is a great way to build momentum in promoting our tools and trainings, which offer great added value to the microfinance sector. Having a stand at the Innovators' Village in 2019 put us in touch with hundreds of managers,

decision-makers and investors who were interested in our tools, "Microvision" and "MFI Factsheet." These free tools help monitor the performance of MFIs and also can be used to make projections and business plans for them. Moreover, in 2021, we have kept working on even more innovative solutions, launching the Microfact e-learning platform, which offers self-paced online courses in English, French and Spanish. The next SAM is a great opportunity for us to promote these resources to a broader audience.

Denis Moniotte, Rubyx Co-founder: *Back in 2019, the SAM Innovators' Village was Rubyx's first opportunity to put our ideas, including our "D6" solution, in front of a large number of financial services providers and to observe the reactions of our future clients. In a very short period of time, we were able to have a lot of conversations and gather very valuable feedback. As a result, we launched several new projects in Nigeria and Côte d'Ivoire to help microfinance banks analyse their customers' behavioural data to fuel their sales force, become more efficient and improve service quality. Today, we analyse the daily behaviour of more than 1 million entrepreneurs and small and medium-sized enterprises (SMEs) in Africa as well as automating credit decisions in seven countries.*

This year, we are coming back to the Village to present "D6 Board," our new web and mobile application that puts artificial intelligence directly into the hands of portfolio managers. This helps them make the right decisions faster as well as offering new products, such as the automated renewal of microcredits, SME loans, bank overdrafts and nano-credit. We look forward to sharing this success with all visitors to the Village this year. Without the SAM, it would be impossible for us to reach such a diversity of actors.

Emmanuel Odonkor, Quipu Business Development Manager:

As part of our ongoing drive to facilitate financial inclusion through technology, we joined representatives of hundreds of companies and other stakeholders with similar aims during the SAM 2019 in Ouagadougou, Burkina Faso, to support local initiatives with our international experience.

Three Quipu staff members with in-depth experience in the African market attended the conference and presented our tailored innovation of the year, QWare, a software-as-a-service core banking system designed specifically for MFIs and small banks. Built on the Quipu Banking Suite, QWare covers all the technology needs of small financial institutions, supporting both their back-office and retail business operations. QWare benefits from over 35 years of experience in developing technical solutions for financial institutions of all sizes, now with easier and faster access. Thus the solution drove a lot of interest and discussion around the possibilities of cloud-based core banking systems. Our presence at the booth during the SAM 2019 offered the opportunity to showcase QWare to so many interested financial services experts. We are looking forward to meeting our customers at the SAM 2021 to share even more innovations that we have developed over the past two years!



Stakeholders hear from presenters at the Innovators' Village during the SAM 2019 in Burkina Faso. 📷

EAR TO THE GROUND

Women Redirect Pandemic Support to Grow Their Own Way

The COVID-19 pandemic has become a natural experiment for exploring many a research question. One of my big questions lately has been whether loans are necessary to spur and maintain entrepreneurship. For decades, we have assumed - sometimes warily - that loans can “teach a man to fish,” allowing a poor person with a dream, skill or simply a need to pull themselves out of poverty. But like many free-market strategies to tackle inequality, this one has seemed - at best - limiting. My hunch over the past three decades has been that the microfinance hype (including various backlashes) has distracted us from efforts to promote other valuable services for microentrepreneurs. These can include startup grants, concessionary loans and - perhaps most importantly - non-financial services that teach critical skills for business success.

According to the US Census Bureau, Americans registered 4.3 million new businesses in 2020, up 24 percent from 2019 and hitting a 15-year peak. The US has not been alone. According to the *Financial Times*, people in France registered 84,000 new businesses during October 2020, the highest monthly total ever. The UK saw a 30-percent year-over-year increase in registrations during the 30 days ending December 15. Even the ever-recessing Japan saw stunning growth, with 10,000 new businesses registered during September 2020 and more on tap.

My own “experiment” has been in the economically heated Hudson Valley of New York State, where I have been spending much of my time lately. I’ve noticed an incredible number of new startups here - from bakeries to llama farms to nail salons to nutrition counseling offices. Most of these, I also have observed, are run by women. My Instagram account, [@hudsonvalleywomen](#), has been tracking some of the stories of these entrepreneurs. One thing they have in common is the absence of borrowing, especially in their first year. Instead, the

women have started their businesses with savings and help from friends and family. But what of those who don’t have friends and family on whom to rely? Or those who lost savings to illness, divorce or other financial shocks? My interviews reveal that they received help from an unexpected angel, the COVID-19 pandemic - and the relief funds that accompanied it, such as severance pay, pandemic relief funds and expanded unemployment checks.

Those interested in promoting economic growth, innovation and entrepreneurship in developing markets should watch what is happening in the resource-rich Global North. Prior to the pandemic, the US had seen a 40-year decline in entrepreneurship. Economists worried about this stagnant growth in startups, because startups spur innovation and create jobs and economic growth. Today, despite the pain and disruption of COVID-19, we may see significant benefits to our economy from these new businesses, not the least of which may be increased resilience to future crises. Those working in the Global South can build these lessons into microfinance programming by raising “soft” money for startup and early-stage grants, loosening loan requirements for new businesses, and offering training to give businesses a boost. I recently set up an Instagram account for an aspiring gallery owner and artist who left a government job to pursue her dream. She is now posting her work on the site and boasts that my 10-minute “lesson” opened a whole new marketing channel for her. We spend so much time worrying about how to deliver technical assistance to businesses, when - in reality - it’s probably a lot simpler than we think.

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), and you may follow her on Twitter at [BarbaraatEA](#).

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UPCOMING EVENTS

Convergences 3Zero World Forum

September 2 - September 3, 2021; Paris, France

This forum will address the “3Zero” objectives of zero exclusion, zero carbon and zero poverty, including topics such as: (1) Transforming Economic Models and Organisations Towards a 3Zero World; and (2) Social Innovation and the Fight Against Inequalities. Two-day, in-person passes cost EUR 250, and online access is available for EUR 25. To learn about discount offers and further details, you may call +33 (0)1 42 65 78 85, email [contact\[at\]convergences.org](mailto:contact[at]convergences.org) or visit <https://events.convergences.org/>.

FinovateFall: Cutting Edge Fintech in the World's Financial Capital

September 13 - September 15, 2021; New York, New York, USA

This event includes demos of financial technology (fintech) products; pitch sessions; and presentations on topics such as the effects of COVID-19, women in fintech, artificial intelligence and the entry of “big tech” into finance. Although the full fee to attend in-person or virtually is USD 3,098, a range of discounts are available. For more information, you may visit <https://informaconnect.com/finovatefall/> or contact the organizers at [register\[at\]informaconnect.com](mailto:register[at]informaconnect.com) or +44 0 20 7017 7149.

Africa Financial Services Investment Conference

October 11 - October 12, 2021; London, UK

AFSIC will cover topics such as “sustainable” finance, financial technology, affordable housing, banking, and small and medium-sized enterprise in Africa. Attendees may also access investor-project matchmaking sessions, country-specific presentations and an app for networking in advance. The full registration fee is GBP 1,295, although various discounts are available. For more details, you may visit <https://www.afsic.net/> or email [event\[at\]afsic.net](mailto:event[at]afsic.net). No telephone number is offered.

European Microfinance Network 18th Annual Conference

October 14 - October 15, 2021; Brussels, Belgium

While the detailed agenda for this conference has not been released, previous iterations covered topics such as financial technology and artificial intelligence. The second day of the event coincides with the seventh annual European Microfinance Day, which highlights micro-finance institutions that comply with the European Code of Good Conduct for MicroCredit Provision. This code covers transparency, procedures for customer complaints, independence of boards of directors and risk management. Pricing for the event has not been released. For more information, you may call +32(0) 2 329 00 30, email [emn\[at\]european-microfinance.org](mailto:emn[at]european-microfinance.org) or visit <https://www.european-microfinance.org/event/emn-annual-conference-2021>.



SAM 2021 (Semaine Africaine de la Microfinance)

October 18 - October 22, 2021; Kigali, Rwanda

This set of conference sessions, training opportunities and associated events is themed *resilience*. Attendees also will explore financial inclusion in Africa, how the African financial sector is working toward the UN Sustainable Development Goals, and topics such as digital innovation and client protection. The ticket price of EUR 550 includes access to the conference, training sessions, gala dinner, the Innovators' Village, and - for investors and microfinance institutions - to the Investors' Fair. For more details, you may call +352 45 68 68 1, visit <https://sam.africa> or email [info\[at\]ada-microfinance.lu](mailto:info[at]ada-microfinance.lu).

MEDA Convention

November 4 - November 7, 2021; Atlanta, Georgia, USA

This event will explore methods for mitigating the effects of COVID-19 on populations facing extreme poverty as well as how to rebuild communities to be stronger and more sustainable. A pitch competition on November 5 offers prizes totaling USD 15,000 to entrepreneurs under the age of 40 who are tackling challenges in agri-food systems. The full fee to attend is USD 549, and various discounts are available. For more information, you may visit <https://www.meda.org/meda-convention> or contact Liz Miller at +1 717 473 0912 or [lmiller\[at\]meda.org](mailto:lmiller[at]meda.org).

MORE DETAILS COMING SOON ON:

Finance Magnates London Summit

November 18, 2021; London, UK

World Finance Banking Symposium

December 17 - December 18, 2021; Budapest, Hungary

Finovate Europe: Tech to Succeed Today. Vision to Thrive Tomorrow.

March 21 - March 23, 2022; London, UK

Skoll World Forum

April 4 - April 8, 2022; Oxford, UK

Africa SACCOs Week

April 25 - April 27, 2022; Nairobi, Kenya

Finovate Spring: Discover Tomorrow's Solutions to Today's Challenges

May 18 - May 20, 2022; San Francisco, California, USA

Opportunity Collaboration

September 25 - September 29, 2022; Miches, Dominican Republic

Mondato Summit Africa

Dates to be determined; Maputo, Mozambique 🇲🇵

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PAPER WRAP-UPS

Remittance-scapes: The Contested Geographies of Remittance Management

By Vincent Guermond, published by SAGE Publishing, July 2021, 26 pages, available at <https://journals.sagepub.com/doi/pdf/10.1177/03091325211033645>

This paper proposes *remittance-scapes* as a new way of analyzing and regulating remittances. Dr Guermond defines remittance-scapes as “the socio-economic and financial institutions, physical structures and cultural practices through which the production, circulation and reception of remittances are accomplished across multiple scales and spaces.” He argues that remittances should not be viewed narrowly as transactions between migrants and recipients, but instead broadly as remittance-scapes, involving stakeholders including “international financial institutions and state actors, RSPs [remittance service providers], fintech companies, microfinance institutions, migrants and remittance recipients.” Viewing remittances as multipart, large-scale transfers of resources can enable governments and private actors to understand their worth more deeply, harness more of their development potential, and prioritize the creation of more accessible transfer channels and investment avenues for migrants.

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COVID-19: Accelerating the Use of Digital Agriculture


By Leslie Arathoon, Rishi Raihatha and Daniele Tricarico; published by the Global System for Mobile Communications Association (GSMA); April 2021; 80 pages; available at https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2021/04/COVID_19_Accelerating_the_use_of_digital_agriculture_updated.pdf

To increase the value of technology for farmers, the authors’ recommendations include that service providers: (1) partner with peers that have “complementary assets” to facilitate the introduction of new offerings; (2) distribute agricultural advisory services via short message service rather than web-based platforms; and (3) address the particular difficulties that women are facing during the COVID-19 pandemic.


Leadership as a Driver of Innovative Financial Services for Women

By Jaclyn Berfond and Jennifer Iwueze, published by Women’s World Banking, May 2021, 12 pages, available at <https://www.findergateway.org/paper/2021/05/leadership-driver-innovative-financial-services-women>

The results of this study indicate that self-confidence was key to women’s ability to create change within financial services providers (FSPs) serving women with low incomes. The specific skills cited as most important were crisis management, two-way communication and the ability to influence external FSP partners. In addition, 69 percent of survey participants noted the importance of their initiatives having “alignment to institutional strategy and buy-in of senior leadership.” 📌









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