

## MICROCAPITAL BRIEFS | TOP STORIES

### Temasek Places \$500m in LeapFrog for Financial, Health Services in Africa, Asia

Please see page 2 for coverage of this MicroCapital *Deal of the Month*.

### Sri Lanka Launches Finance Inclusion Strategy

The Central Bank of Sri Lanka (CBSL), with assistance from the World Bank Group's International Finance Corporation, recently launched a National Finance Inclusion Strategy. The strategy has four primary goals: "increase access to digital finance and payments, boost access to finance for [micro-, small and medium-sized enterprises], protect financial consumers, and improve financial literacy." These are to be achieved by boosting data collection, expanding infrastructure and reducing regulatory barriers. The financial literacy component, in particular, is meant to serve: (1) youth via changes to school curricula; and (2) women, as a CBSL survey conducted in 2018 determined that nearly two thirds of women in the country knew of mobile money, but only about half that number were "comfortable using the technology." Prime Minister Mahinda Rajapaksa stated, "I believe this strategy will complement the government's efforts to minimize the provincial income disparities, [to reduce] urban-rural inequalities, and to promote inclusive growth." March 15, 2021


### ADB Sells \$20m in Bonds for Otbas Bank to House Rural Women in Kazakhstan

The Asian Development Bank (ADB), a multilateral development finance institution, recently raised the local-currency equivalent of USD 20 million via a bond sale to institutional investors in Kazakhstan to finance loans by the Housing and Construction Savings Bank of Kazakhstan, which is also known as Otbas Bank. The subsequent loan from ADB to Otbas carries a guarantee from the Ministry of Finance of Kazakhstan. The bonds, which were issued by Kazakhstan's Tengri Partners, mature in 10 years and have a semi-annual coupon rate of 10.15 percent. Otbas is to on-lend the funds for home renovations and home purchases by women, largely in rural areas. The funding is part of the Gender Equality in Housing Finance Project, through which ADB is investing a total of USD 90 million in Otbas. In addition to funding mortgages, the project includes a research and public awareness campaign regarding housing finance for women in the country. Otbas, which is a unit of state-owned Baiterek National Management Holding, offers loans with periods of six to 25 years. It holds customer deposits of USD 2.4 billion, and a loan portfolio of USD 3.3 billion. During 2020, the bank's customers completed repayments on 51,000 contracts with a total value of USD 406 million. March 12, 2021

### Fiji Passes National Payment System Act, Seeking to Boost Fintech

The Reserve Bank of Fiji (RBF) recently announced the passage of a National Payment System Act to "upgrade national payment and settlement systems" with the intent of enabling instant fund transfers and the automatic clearing of retail payments. RBF is receiving support on the implementation, which is scheduled to take two years, from the World Bank Group's International Finance Corporation and the governments of Australia and New Zealand. March 9, 2021

### Fuel, IDC Ventures Place \$70m in Equity in Fintech RecargaPay of Brazil

RecargaPay, a Brazil-based provider of mobile payment services, recently raised USD 70 million in equity. Founded in 2010, the firm offers a wallet app that facilitates retail payments and provides cash back on payments such as refilling mobile data plans, gas vouchers and prepaid television. While the standard cash-rebate program is free, users may pay the equivalent of USD 3.60 per month to upgrade to "Prime+," which increases the cash-back percentage. RecargaPay CEO Rodrigo Teijeiro stated, "We're committed to helping anyone, banked or unbanked, transact seamlessly with their smartphone, regardless of income levels or credit score...." The lead investors in the equity raise were US-based Fuel Venture Capital and Spain-based IDC Ventures. The other investors were US-based ATW Partners, US-based Experian Ventures and Hong Kong-based Lun Partners. In addition to São Paulo, RecargaPay has offices in Argentina and the US. March 6, 2021 

INSIDE	Page
<b>MicroCapital Briefs</b>	<b>2</b>
News on MSMEs, fintech, green finance...	
<b>News from Africa</b>	<b>4</b>
Sponsored by Frankfurt School	
<b>Ear to the Ground</b>	<b>5</b>
When Loan Officers Control MFIs' Data	
<b>European Microfinance Award</b>	<b>6</b>
Apply by April 13!	
<b>Upcoming Events</b>	<b>8</b>
Industry conferences	
<b>Paper Wrap-ups</b>	<b>9</b>
Research and tools	
<b>Subscribe to the Monitor</b>	<b>9</b>



### 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

### DFC Guaranteeing \$10m in Solar Investments by Trine

The US government's International Development Finance Corporation (DFC) recently agreed to guarantee 50 percent of USD 20 million in lending via Trine AB, a Sweden-based solar investment platform, to support solar energy for 600,000 people, including via mini-grids in Latin America and the Caribbean. Sweden-based Trine is an online platform that allows individual and corporate investors to support loans that fund solar businesses in developing countries. Trine has facilitated investments totaling the equivalent of USD 54 million in Guatemala, India, Myanmar, Pakistan and 11 countries in Africa. March 31, 2021

### 6 Large Firms, IDB to Boost Women's MSMEs in LAC

The Inter-American Development Bank (IDB), a multilateral financial institution that promotes economic development in Latin America and the Caribbean, recently partnered with six large companies to promote the integration of women-owned businesses "into foreign trade and regional value chains" as a way to: (1) stimulate the region's economy as it adjusts to the COVID-19 pandemic; and (2) boost job opportunities to decrease economic and other gaps between men and women. The private firms, whose roles have yet to be fully defined, are Ireland-based Accenture; Japan-based NEC; and the following US-based companies: Facebook, Mastercard, Visa and Walmart. The program, Women Growing Together in the Americas, will use IDB's online platform ConnectAmericas for Women to provide mentoring and technical assistance to women-owned micro-, small, and medium-sized enterprises to improve their: (1) capacity and production processes; (2) usage of technology; and (3) access to funding via better fiscal practices and documentation. March 26, 2021

### Grameen Credit Agricole Lending \$1.4m to Mikra of BiH

The Grameen Credit Agricole (GCA) Foundation, whose head office is in Luxembourg, has agreed to issue a three-year loan equivalent to USD 1.4 million to Mikra, a microfinance institution in Bosnia and Herzegovina that seeks to "provide financial services to the poorest but economically active populations." Of the microlender's 15,000 clients, about 10,200 are female and 8,700 live in rural areas. Mikra's group and individual loans range in size from USD 300 to USD 6,000 with terms of one month to five years and grace periods of six months. The loans carry fees of zero to 3 percent and annual interest rates of 17 percent to 36 percent. Per government requirements, loans in default carry a maximum interest rate of 10 percent, with the interest total capped at the principal of the loan. March 24, 2021

### Deetken, Pro Mujer Raise \$1.3m to Empower Women in LAC

Canada-based asset management company Deetken Impact and US-based nonprofit women's development organization Pro Mujer recently announced they have raised USD 1.3 million from the US Agency for International Development (AID) for the Ilu Women's Empowerment Fund, which is active in Latin America and the Caribbean. Deetken plans to leverage a portion of the funding to attract private investment, adding a total of USD 5 million to the volume of Ilu. This segment of funding is slated for lending to assist small and medium-sized enterprises (SMEs) in adjusting to the COVID-19 pandemic. The AID funding also includes a technical assistance component intended to enable "gender-smart business practices to improve [SMEs'] business performance, attract more capital... and advance gender equality and opportunities for women in the communities where they operate." The third element of the project is to support "an open source toolkit," case studies and workshops promoting "the business case for gender lens investing and gender-smart business practices in the region." Ilu has secured commitments of USD 28 million for its work in sustainable energy, healthcare, financial literacy training and business loans. March 22, 2021

### NMI, Poonawalla, Rajiv Dadlani Boost Stakes in India's Svasti

Three previous investors in India's Svasti Microfinance recently committed an additional block of local currency equivalent to USD 4.3 million to the firm, which serves 188,000 customers, mostly women. The investors are the Nordic Microfinance Initiative, a Norway-based public-private partnership; Adar Poonawalla, an Indian philanthropist; and Rajiv Dadlani Group, an Indian family office. The breakdown among the investors and the sizes of their holdings remain confidential. "We have built a great organization with over 800 employees who are all very excited to receive such strong support and validation... to achieve our mission of fulfilling every woman's right to finance and help transform the lives of their families as well," said Svasti Co-Founder Arunkumar Padmanabhan. Svasti reports having rebuilt its repayment rate to 94 percent since the lockdowns that were called early in the COVID-19 pandemic. Via 63 branches in four states, it offers group microenterprise loans of USD 275 to USD 1,100 and individual business loans up to USD 6,900. Borrowers of either loan type also are eligible for bill payment services and "short-term" consumer loans. Svasti reports 12-month profits of USD 1.2 million on total assets of USD 52 million. March 18, 2021

### Nigeria Adds \$120m to Pandemic Relief Fund

The Central Bank of Nigeria (CBN) recently announced the addition of the equivalent of USD 120 million to its Targeted Credit Facility, a stimulus program for micro-, small and medium-sized enterprises (MSMEs) as well as households affected by the pandemic. The funding will be lent through NIRSAL Microfinance Bank, which is minority-owned by CBN's Nigerian Incentive-based Risk Sharing System for Agricultural Lending. The retail loans will carry an annual interest rate of 9 percent, with terms of up to one year. The maximum loan size is USD 61,000 for MSMEs and USD 7,300 for households. The government previously allocated USD 6 billion to pandemic relief efforts, including for microfinance and other efforts. NIRSAL Microfinance Bank was launched in 2019 and since has lent a total of USD 811 million to 540,000 businesses and households. Its products include a savings account that requires USD 2.60 to open and a loan program for agriculture that charges 5 percent per year with loan sizes up to USD 26,000. March 17, 2021

### Temasek Investing \$500m in LeapFrog's Work in Africa, Asia

Temasek Holdings, an investment firm owned by the government of Singapore, recently committed USD 500 million to LeapFrog Investments, which is focused on financial and health services in Africa and Asia. Temasek will acquire a minority stake of undisclosed size in LeapFrog and take a seat on its board of directors. LeapFrog, which was founded in 2007, invests in providers of banking services, finance, insurance and pensions as well as medical diagnostics, drugs and other health-care products. Its investees serve 212 million people, of whom 80 percent have low incomes. The firm has garnered approximately USD 2 billion in investor commitments since its inception. March 12, 2021

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*Please refer to [MicroCapital.org](https://microcapital.org) for the sources of all information appearing in this publication. Among these, MicroCapital recognizes CGAP's FinDev Gateway for its outstanding work disseminating information on financial inclusion. Thank you!*

### EIB Lending \$8m to ADOPEM, Targeting Dominican Women

The EU's European Investment Bank recently agreed to loan the local-currency equivalent of USD 8.3 million to Banco de Ahorro y Crédito ADOPEM, a microfinance institution (MFI) in the Dominican Republic, targeting microentrepreneurs as they adjust to the COVID-19 pandemic. The wholesale loan is meant to allow ADOPEM to provide 27,000 retail loans, including 18,000 for women. EIB Vice President Ricardo Mourinho Félix stated, "We are delighted to partner with ADOPEM to help microenterprises affected by the COVID-19 pandemic, while contributing to promoting gender equality by improving access to credit for businesses run by women in the Dominican Republic." Established in 1982, ADOPEM was originally known as Asociación Dominicana para el Desarrollo de la Mujer. It provides microloans, savings and insurance products as well as non-financial services, such as training in financial literacy and business skills. It reports total assets of USD 133 million and 395,000 clients. The microbank is controlled by Fundación BBVA Microfinanzas, which was launched by the Spanish bank Banco Bilbao Vizcaya Argentaria in 2007. March 12, 2021

### CDC, FinnFund Lend \$25m to Kashf for Pakistani Women

The CDC Group, a development finance institution owned by the UK government, recently disbursed USD 25 million to Kashf Foundation, a Pakistani microfinance institution, in the form of a senior, unsecured term loan. The loan is 40-percent co-funded by FinnFund, a development finance institution controlled by the government of Finland. Kashf Managing Director Roshaneh Zafar stated, "For the next five years, our focus is to further enhance women's productivity across our network of branches and develop more customized solutions for our clients, while gearing to expand outreach to over 1 million female clients." Kashf was established in 1996 to alleviate poverty by providing a range of services to people with low incomes, especially women. The organization provides training on topics such as developing marketable skills, managing finances and safeguarding children against abuse. Its financial products include microinsurance as well as enterprise, farming, student, school and Shariah-compliant loans. Kashf has 325 branches, 513,000 clients, and total assets equivalent to USD 152 million, including a microcredit loan portfolio of USD 76 million. March 8, 2021

### Jamaica's Micro Credit Act to Regulate Microfinance Institutions

The Senate of Jamaica recently passed the Micro Credit Act, 2021, paving the way for its approval by the nation's Governor-General. The legislation aims to reduce malpractice and the charging of "excessive interest" rates by microlenders as well as to boost risk management practices, sector transparency, and the disclosure of product pricing and terms. Another goal is to attract more players into the industry, thereby facilitating greater access to credit at lower cost. March 4, 2021

### Kinara of India Raises \$10m from IndusInd, with DFC Guarantee

India's Kinara Capital recently accepted a five-year loan of USD 10 million from IndusInd Bank, a unit of India's Hinduja Group, under an agreement intended to increase the financial inclusion of small businesses active in manufacturing, trading and services. The loan carries a full guarantee from the US government's International Development Finance Corporation. Kinara offers loans primarily for asset purchases of up to the equivalent of USD 13,800, with terms ranging from one to five years. It also offers lines of credit for up to 75 percent of invoices due, for terms of three months to one year. Kinara was founded in 2011 and since has grown to serve seven states and union territories. As of September 2019, it reported six-month income of USD 14 million on total assets of USD 131 million. The firm is listed on the Bombay Stock Exchange as a debt entity under Visage Holdings and Finance Private Limited. March 2, 2021

### Laos Borrows \$40m for MSME Pandemic Relief

The Ministry of Industry and Commerce of the Lao People's Democratic Republic (PDR) recently announced it is borrowing USD 40 million from the World Bank in an effort to help micro-, small and medium-sized enterprises (MSMEs) adjust to the COVID-19 pandemic. The terms of the loan have not been released. Viengsamay Srithirath, the World Bank operations manager for the country, said, "This initiative will reinforce the stability of small businesses, which are vital to the Laos economy." The funds are to be on-lent to enterprises with fewer than 100 employees via credit lines extended by various banks, of which three so far have been identified: Lao China Bank; Maruhan Japan Bank Lao; and Saigon Thuong Tin Commercial Joint Stock Bank, which is also known as Sacombank. The project also includes technical support for participating MSMEs as well as the Bank of the Lao PDR, the central bank of Laos, which is guaranteeing the participating banks' retail loans. March 2, 2021

### Google, IDB Invest \$12m in Locfund for Digitization, Recovery

Locfund Next, a debt fund managed by BIM Asset Management, recently raised USD 8 million from US-based technology firm Google as part of USD 200 million Google has committed to support organizations that invest in small businesses across the globe to help them adjust to the challenges of the COVID-19 pandemic. The funding is being routed through the Inter-American Development Bank (IDB) Group's IDB Lab, which is also providing USD 4.5 million to Locfund Next. IDB Lab CEO Irene Arias said, "This joint investment will allow IDB Lab to accelerate its work in financial inclusion by creating permanent solutions that facilitate access to financing and support the digitization of financial intermediaries." BIM created Locfund Next in 2013 to provide financing in local currency to microlenders in Latin America and the Caribbean. The volume of the fund has since grown to USD 80 million. Formerly known as Bolivian Investment Management, BIM is an impact investment firm with a portfolio of USD 225 million. February 24, 2021

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## NEWS FROM AFRICA

### Apis, JG Summit Place \$108m in TymeBank of South Africa

TymeBank, the South African unit of Singapore-based TymeGlobal, is selling minority equity stakes for a total equivalent to USD 108 million to the Filipino conglomerate JG Summit Holdings and UK-based asset manager Apis Partners. TymeBank has received USD 33 million, with the balance to be disbursed during the next 15 months, pending regulatory approval. TymeBank, which serves customers exclusively through banking modes such as kiosks and a mobile app rather than traditional branches, plans to use the new funding to “enhance its propositions in insurance, credit cards, and other value-added services to customers.” Its 2.7 million business and personal account holders have access to savings accounts that pay up to 8 percent annual interest as well as money transfers, debit cards, interest-rate tracking tools and a shopper-rewards program. TymeGlobal is a digital banking group active in Singapore, South Africa and Vietnam. March 25. 2021

### Vital Finance of Benin Borrows \$5m from EIB, Mostly for Women

The EU's European Investment Bank (EIB) recently agreed to loan the equivalent of USD 4.8 million to Vital Finance, a microlender in Benin, to support smaller businesses. The wholesale loan, which is the first Vital Finance has taken from EIB, is to fund an estimated 77,000 retail loans, 70 percent of which are to go to female entrepreneurs. Vital Finance CEO Wakil Adjibi stated that the partnership with EIB “will enable Vital Finance to continue expanding and helping businesses in Benin to create jobs.” Founded in 1998, Vital Finance offers group and individual loans for one to two years in amounts of USD 90 to USD 36,000 at an interest rate of 1.75 per month. Its individual loans for income generation require collateral, and its consumption loans require proof of salary. Financial data on the firm are not available. March 16. 2021

### Equity Secures \$144m from EIB, EU for Ag, SMEs in Kenya

Equity Bank Kenya recently secured the equivalent of USD 120 million from the EU's European Investment Bank (EIB) for on-lending to small and medium-sized enterprises (SMEs). The loan is paired with USD 24 million in EU grant funds from to support “longer-term agricultural value chains investment projects and further develop [the] provision of long-term financing for agriculture.” The EU Ambassador to Kenya, Simon Mordue, said, “The EU and EIB support to small and medium enterprises will directly support Kenyan entrepreneurs and farmers who need this financing to cushion them from the effects of COVID-19.” Founded in 1984, Equity Bank Kenya has 177 offices and provides fund-transfer, lending, savings, insurance and investment services. The bank reports total assets of USD 5 billion. Its parent organization, the Kenya-based Equity Bank Group, is active in Democratic Republic of Congo, Kenya, Rwanda, South Sudan, Tanzania and Uganda. The group reports USD 6.1 billion in total assets, customer deposits of USD 4.4 billion and a gross loan portfolio of USD 3.3 billion. March 11. 2021

### Nomanini Linking More MSMEs, Distributors with \$500k from FMO

Financierings-Maatschappij voor Ontwikkelingslanden (FMO), a Dutch public-private partnership, recently invested USD 500,000 as a convertible loan in financial technology platform Nomanini, which has offices in Kenya and South Africa. Founded in 2011, Nomanini facilitates financial service providers and fast-moving consumer goods (FMCG) companies in reaching micro-, small and medium-sized enterprises (MSMEs) and their customers. Nomanini allows merchants to use a mobile phone as a retail point-of-sale (POS) device. The firm also finances merchants' purchases from FMCG firms. In addition, MSMEs can use Nomanini as a platform to offer their customers financial services such as bill payments, prepaid utility transactions, and cash-in and cash-out banking services. Its investors include Goodwell Investments and Standard Chartered. Financial data on Nomanini are unavailable. March 10. 2021

### ATL Leasing Borrows \$12m from Sanad for Tunisian SMEs

Tunisia-based Arab Tunisian Lease (ATL Leasing) recently secured a senior loan equivalent to USD 12 million from Sanad Fund for MSME, a Luxembourg-domiciled investor in lenders to micro-, small and medium-sized enterprises (MSMEs). The funding is slated for leasing to small and medium-sized enterprises in Tunisia as they adjust to the COVID-19 pandemic. Sanad Board Chair Dr Daniela Beckmann said, “Specialized providers of small and medium enterprise finance, like ATL Leasing, provide critical resources for this important economic segment to maintain their operations in spite of the ongoing crisis. Sanad and its partners are here for local businesses in the long term...”. ATL Leasing provides lease financing for equipment, vehicles and real estate, with a primary focus on transactions that involve real estate and equipment for MSMEs. Its lease terms range up to seven years. The organization was founded in 1993 by two organizations that remain ATL Leasing's primary shareholders: Arab Tunisian Bank, the local affiliate of the UK-based Arab Bank; and Banque Nationale Agricole, which is controlled by the Tunisian government. March 3. 2021

### SunCulture Borrows \$11m for Solar Irrigation in Africa

Kenyan solar products company SunCulture recently received access to a credit facility of USD 11 million organized and led by SunFunder, a lender to solar energy projects in sub-Saharan Africa. The other participating funders are the African Development Bank's Energy Inclusion Facility, Switzerland-based AlphaMundi, the Nordic Development Fund (NDF) and Triodos Investment Management of the Netherlands. NDF is an institution of the governments of Denmark, Finland, Iceland, Norway and Sweden. SunCulture utilizes solar technology “to provide customers with reliable access to water, irrigation, lighting and mobile charging” in Côte d'Ivoire, Ethiopia, Kenya, Senegal, Togo, Uganda and Zambia. The firm offers pay-as-you-go options for products such as ClimateSmart Direct, a solar irrigation pump costing the equivalent of USD 42 per month. SunCulture has raised a total of USD 25 million over four rounds of funding. February 25. 2021

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## EAR TO THE GROUND

### Centralizing Your Data? Don't Forget Your Loan Officers!

Recently, I have begun composting to reduce my garbage footprint and feed my nascent gardening hobby (see my column from last month). In composting, I have learned, adding diseased plant matter to the mix can lead to tragic outcomes. Data are much the same, so our “post”-COVID fascination with digitalizing client relationships can be crippled by the “garbage in / garbage out” problem.


I recently spoke with an MFI leader who found that when her staff was switching to remote client contact and preparing to use a call center to reach out, they realized that most client phone numbers in their databases were garbage - 888000 or 999000. Meanwhile, clients' homes and businesses were hard to find because, as in most lower-income countries, conventional addresses are not used in slums and rural areas. Hence, loan officers, who kept client phone numbers in their personal phones, controlled the only way to contact clients and keep the MFI running. This became complicated when loan officers were sick, didn't follow through with clients for some other reason, or just plain pocketed loan payments. Also, it reinforces the ever-present risk of loan officers taking clients with them when they go to work for a different MFI. But it took COVID for many MFIs to realize that they did not, in fact, have anything more than a balance sheet; their customers were entirely in the hands of their employees.

The tension between loan officers and management has perplexed me for years. In 2009, I was in Peru speaking with the CEO of a nonprofit MFI. Despite being very socially conscious in other ways, when it came to loan officers, she spoke of them as if they were adversaries rather than team members. The attitude was common at the time. Loan officers know that clients are the hand that feeds them, and hence they often

“side” with clients over their own employers. At best, they may protect the interests of clients over those of the organization. At worst, they exploit gaps in the system to make a profit. This is not healthy.

In Mexico, the financial services distribution company that I co-founded, Noahui Soluciones, overturned this paradigm by ensuring that customers belong to the whole organization rather than one staff person. Technology helps a lot. Our clients log into our platform via a mobile app or web platform, registering directly with us and updating their information regularly. This allows us to centralize data not only for analysis but also for controls and follow-up. That leaves our wonderful promoters, our *Noahuis*, to focus on building strong relationships with clients, helping them grow as they benefit from financial services. Working together on a supportive team, including participating in extensive training, offers each staff member a lifelong opportunity for personal growth as she builds strong relationships with clients, peers and supervisors. This as an integral part of our philosophy and business model, and it allows us to disrupt the adversarial aspects of the management-staff relationship.

As more and more MFIs undergo digital transformation and begin really to “own” their clients for the first time, they also need to think about relationship transformation and the types of cultural change they want to implement within their institutions. These changes are essential to building relationships with clients, who are critical to MFIs' competitive advantage - not just another dollar on the balance sheet.

*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](https://twitter.com/BarbaraatEA). *

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## SPECIAL REPORT

*This feature is part of a sponsored series on European Microfinance Week 2021, during which the European Microfinance Award will be presented. MicroCapital has been engaged to promote and report on the conference each year since 2012.*

### Christoph Pausch on the European Microfinance Award 2021: Inclusive Finance and Health Care

*MicroCapital: Why was “Inclusive Finance and Health Care” chosen as the topic of the 2021 Award?*

Christoph Pausch: As the past year has shown us all with such unfortunate clarity, health is everything. Being healthy allows education to play its role in opening new opportunities; it allows people to earn, invest and employ others; it keeps the economy growing and lets groups and societies prosper. And the opposite is true as well: without health - without health care to help people recover from serious health shocks and to stop minor health issues from becoming serious - it's so hard for people to prosper.

This is especially true for the global poor - the financially excluded - who typically have volatile and precarious incomes and live in countries without high-quality universal health care. They not only need access to health care, but also the ability to pay for it. Too often this can mean taking on debt and selling income-generating assets or even their homes. For families in which the health shock prevents an income earner from working, the loss of assets to pay for treatment is magnified by the loss of income. This risks a negative feedback loop: poverty leads to bad health, which feeds into more poverty. People face barriers to access that are specific to their particular circumstances and needs, and some are exacerbated by a combination of low income and financial exclusion.

For these reasons, the topic of this year's Award is Inclusive Finance and Health Care, and the framing of the topic reveals two things: that the focus will be not just on health, but care - driving access to the quality and affordable services we all (and especially low-income communities) need; and that both finance and health care can be inclusive - serving those who typically are underserved and excluded.

*MC: What are some types of health care initiatives that organisations active in financial inclusion can offer?*

CP: The financial inclusion sector can play an indispensable role in both helping households plan day-to-day medical spending and “smoothing” out health-related financial shocks. By encouraging savings, designing appropriate credit products and - perhaps most of all - facilitating access to insurance, financial services providers (FSPs) can direct their core expertise toward financial products that give low-income clients the financial flexibility required to meet their health care expenses.

Inclusive health care financing solutions are usually set up to provide medically necessary care or the money to pay for it when needed. They can also have features aimed at ensuring the quality and cost-effectiveness of care, bringing about behaviour change or supporting grassroots health care providers and/or workers. FSPs can offer health-specific financial products that go beyond generic microloans or savings accounts - from health insurance to emergency credit to vouchers and more. And then, beyond financial products, there is a whole range of non-financial services and value-added services - education and awareness campaigns, health camps, telemedicine and others - that can increase access to health care for those who most need it.

*MC: What will the evaluation committees be looking for?*

CP: The Award this year aims to highlight initiatives that facilitate access to quality and affordable health care for low-income communities. The committees that evaluate the applicants in this rigorous and multi-stage process will be looking for various characteristics, from innovation and replicability to impact measurement, client protection, outreach to underserved groups and the financial sustainability of the organisation as a whole. Particularly this year, partnerships will be so important. Very few - if any - financial institutions have either the capacity or the regulatory approval to provide health care directly. And the specialisation needed for health care delivery means that many programmes are designed to operate in partnership with a broad spectrum of stakeholders in the health care sector. So the application process will really look for how those partnerships work so that the expertise of different stakeholders adds genuine value to the programme.

*MC: What types of organisations do you hope will apply for the Award this year?*

CP: Because health care is not the primary focus of most microfinance institutions, this year it probably is harder to predict which organisations will apply compared to some other years - for example last year's Award on Encouraging Effective and Inclusive Savings. In terms of eligibility, the requirements are as expansive as possible to ensure the field of applicants includes all the important initiatives that are underway. They have to be organisations that facilitate access to health care among low-income populations through financial inclusion. So this will include FSPs that directly provide, finance or otherwise facilitate access to health care, but also non-financial organisations that work with FSPs. Besides that, the usual requirements apply: that organisations have to be based and operate in an established list of countries; the products and services have been operational for at least a year; and the organisations can provide audited financial statements.


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**“The financial inclusion sector can play an indispensable role in both helping households plan day-to-day medical spending and ‘smoothing’ out health-related financial shocks.”**

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*MC: What are the benefits to potential applicants of taking part in the Award?*

CP: As before, there is a financial prize (100,000 euros to the winner and 10,000 euros to each of the two other finalists). And while this prize, generously provided by the Luxembourg Ministry of Foreign and European Affairs, is significant, we've seen over many years that the real benefit of the Award comes in the exposure that the 10 semi-finalists (and especially the three finalists) all get via international and industry press coverage; the European Microfinance Platform's (e-MFP's) annual publication, which profiles all the semi-finalists and extracts key factors for success; connections to e-MFP's extensive network of stakeholders working all over the world; and donors, investors and various potential partners who pay attention to the outcome of this Award. And on top of that, e-MFP organises various events throughout the following year to further profile the initiatives involved in the Award.

*Christoph Pausch is Executive Secretary of e-MFP. The €100,000 European Microfinance Award is jointly organised by the Luxembourg Ministry of Foreign and European Affairs, e-MFP and the Inclusive Finance Network Luxembourg. Applications for the European Microfinance Award opened on 15th March and close on 13th April at 23:59 CET. For more information and to apply, please visit <http://www.european-microfinance-award.com>. *





## EUROPEAN MICROFINANCE AWARD 2021

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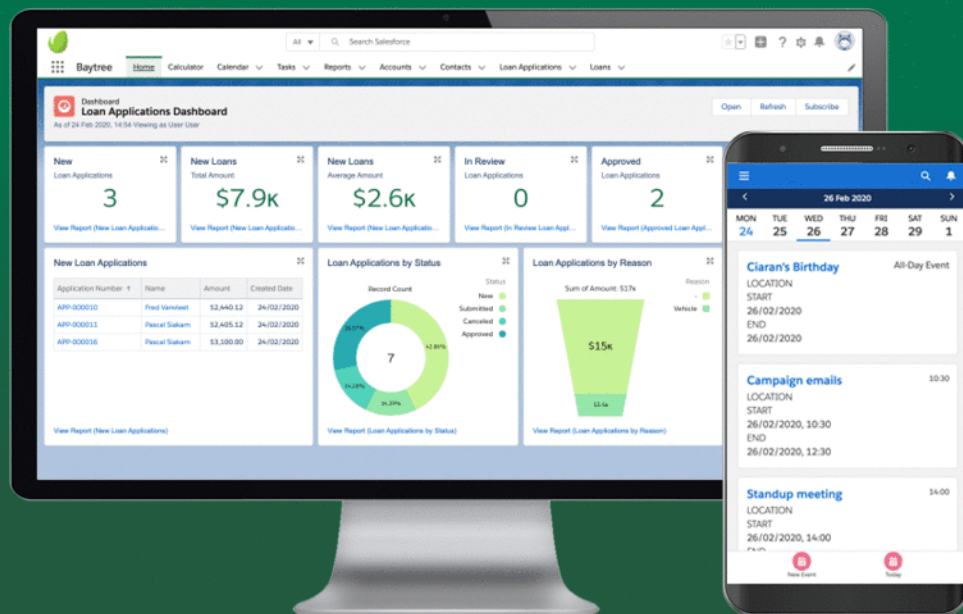
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## UPCOMING EVENTS

### Africa Agri-Trade & Finance Forum

May 26, 2021; Nairobi, Kenya

This event will cover topics such as rural financial inclusion, government incentives for investing in agriculture and how private companies can help solve “agri-challenges.” The registration fee of USD 250 is slated to increase at a date to be announced. More details are available from Naomi Njoroge at [naomi\[at\]aidembs.com](mailto:naomi[at]aidembs.com) or +254 700 248840, or you may visit [http://www.aidembs.com/africa\\_agrifinance\\_forum/](http://www.aidembs.com/africa_agrifinance_forum/).

### Africa Trade and Investment Convention - NEW DATES

June 11 - June 12, 2021; Amsterdam, the Netherlands

Participants in this event may attend a B2B Matchmaking Forum; country-specific meetings; and sessions on topics such as: remittances, agriculture, value chains, the potential of youth and women, public-private partnerships, regulation, financial technology, and small and medium-sized enterprise. The cost to attend is EUR 500 plus tax. More details are available via <http://www.investinginafrica.eu>, +31 616 950 384, [info\[at\]investinginafrica.eu](mailto:info[at]investinginafrica.eu).

### World Finance Conference

August 3 - August 6, 2021; Kristiansand, Norway

This program will cover Sustainable Finance, Investments, Corporate Governance and Accounting. While the detailed agenda has not yet been released, the 2020 iteration of the event included papers titled “Bank Lending and Small and Medium-sized Enterprises? Access to Finance? Effects of Macroprudential Policies” and “Goal Congruence Contract Between the Manager and the Loan Officer in Microfinance.” The full registration fee is EUR 430, with various discounts available, including for those registering by May 20. For more details, you may visit <https://www.world-finance-conference.com>, call +351 961317366 or email [worldfinanceconference\[at\]gmail.com](mailto:worldfinanceconference[at]gmail.com).

### Africa Financial Services Investment Conference

October 11 - October 12, 2021; London, UK

AFSIC will cover topics such as “sustainable” finance, financial technology and banking 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, with discounts offered, including for various early registration dates. For more details, you may visit <https://www.afsic.net/> or email [event\[at\]afsic.net](mailto:event[at]afsic.net).

### MORE DETAILS COMING SOON ON:

#### Super HappyYness Festival

June 26 - June 29, 2021; Munich, Germany

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

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

#### FinnoSummit Mexico 2021

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

#### Asia-Africa Financial Inclusion Summit

September 28 - September 29, 2021; Dubai, UAE

#### APAC Microfinance Forum

October 26 - October 27, 2021; Kuala Lumpur, Malaysia

#### 16th International Conference on Inclusive Insurance

October 26 - October 29, 2021; Kingston, Jamaica

#### MEDA Convention

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

#### European Microfinance Week

November 17 - November 19, 2021; Luxembourg 🇱🇺



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## PAPER WRAP-UPS

### Crisis Roadmap for Microfinance Institutions: COVID-19 and Beyond

By Julie Abrams, published by CGAP (Consultative Group to Assist the Poor), February 2021, 44 pages, available at <https://www.findeegateway.org/paper/2021/02/crisis-roadmap-microfinance-institutions-covid-19-and-beyond>

The author structures this publication as an 11-step “roadmap” to help microfinance institutions (MFIs) respond to the COVID-19 pandemic and its economic impacts as well as to develop resilience going forward. As “Foundational, Ongoing Steps,” Ms Abrams states that the board of directors and senior management should establish in advance and be ready to implement swiftly a business continuity plan; keep investors informed of how the MFI is affected by the pandemic; and be aware of government decrees regarding the status of MFIs - whether relating to their role as lenders or borrowers. Regarding “Business Continuity,” MFIs should: (1) ensure the wellbeing of staff members by allowing them to work remotely, or for staff working on-site, providing personal protective equipment (PPE) and enforcing social distancing; (2) communicate regularly with staff about best practices for minimizing health and safety risks; (3) look for ways to increase the safety and wellbeing of clients and their families, for example, by informing depositors about the MFIs’ “financial health and ability to service all deposits” and contacting borrowers to inquire about their wellbeing; and (4) ensure that high-quality internal controls remain in place, perhaps through the deployment of a crisis management committee. As “Financial and Portfolio Steps,” Ms Abrams proposes frequent projections of cash flow and burn rate; that MFIs “consider and prioritize” essential operating expenses, factoring in new costs such as PPE and reconfiguring office space; increasing liquid assets and “halting or decreasing” capital expenditures; segmenting borrowers based on type of loan, geography and status as an essential or non-essential business; and scenario planning and stress testing to prepare for undesirable scenarios.

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### Reaching Financial Equality For Women

By Ruth Goodwin-Groen, Nandini Harihareswara, Leora Klapper, Margaret Miller, and Andy Woolnough; published by Women's World Banking et al; March 2021; 28 pages; available at <https://www.findeegateway.org/paper/2021/03/reaching-financial-equality-women>

This action plan is intended to help governments, businesses, and NGOs “rebuild stronger” after the COVID-19 pandemic by reducing gender inequality. The proposals include: companies digitizing payments to their employees, which has been shown to help workers build savings; governments digitizing payments, which can help women “strengthen their household decision-making power;” passing laws prohibiting sex discrimination, as 115 economies have laws that prevent women from running businesses in the same manner as men; increasing access to identification documents, which are often required to access financial and internet services; increasing access to mobile phones, which can be useful for activities such as transferring money; hiring more women at financial services providers and mobile phone firms, as women often are less comfortable accessing services from men; collecting and responding to sex-disaggregated statistics on access to all of these services; designing products that meet women’s needs in terms of life stage, ability to pay, appropriate marketing, etc; supporting women in learning to leverage e-commerce to sell their wares; and implementing effective transparency and consumer protection mechanisms to increase trust in services.

### Helping Low- and Moderate-income Malaysians Save: Insights from UNCDF's Work With GoGet and Pod

Published by the UN Capital Development Fund, February 2021, 12 pages, available at <https://www.findeegateway.org/sites/default/files/users/user331/11.02.21%20Malaysia%20GoGet%20and%20POD%20Insights.pdf>

Data from Bank Negara Malaysia, the country’s central bank, illustrate a downward trend in household savings since 2018, resulting in “two thirds of self-employed respondents hav[ing] savings equivalent to one month’s expenses, while 83 percent of private employees have two months’ worth of expenses in savings.” The authors gathered data from sources including the customers of GoGet, a gig-work platform, and Pod, a microsavings financial technology (fintech) firm targeting low- and moderate-income (LMI) people.

The results include that regular savings is an important predictor of ability to handle a financial emergency, defined as an unexpected expense equivalent to USD 250. Of the LMI people surveyed who reported saving often, 50 percent were able to effectively manage a financial emergency, whereas 10 percent of those who saved either occasionally or not at all expected to be able to do so.

Regarding when savings occur, 17 percent of Pod users who save after paying off expenses met their savings goals, while 36 percent of those who saved immediately after receiving their pay were able to do so. 📌

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