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Verdant Capital Hybrid Fund Closes with \$36m to Invest in MSME Finance in Africa

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TerraMagna Raises \$40m from SoftBank, Shift, Milenio for Ag Value Chains in Brazil

TerraMagna, a Brazilian agricultural financial technology company, recently raised USD 30 million in debt and USD 10 million in equity from Japan's SoftBank Group, via its SoftBank Latin America Fund, and two Brazilian finance firms, Shift Capital and Milenio Capital. The sizes of the stakes sold by TerraMagna have not been released. The firm lends to sellers of agricultural supplies and then supports them in lending to farmers via technology for evaluating creditworthiness and monitoring crops via satellite. This monitoring can aid compliance with sales contracts as well as environmental regulations. TerraMagna was founded in 2017 and reports a book value of USD 120 million as of 2021. January 23, 2022

Symbiotics, CACPECO Raise \$14m for Homes, MSMEs in Ecuador

Symbiotics, a Switzerland-based impact investing firm, recently partnered with Cooperativa de Ahorro y Crédito de la Pequeña Empresa de Cotopaxi (CACPECO), a cooperative in Ecuador, to fund the latter with the proceeds of a four-year bond issue in the amount of USD 14 million. The funding is to be used for: (1) housing loans with 15-year terms and interest rates of 9.9 percent per year; and (2) business loans of up to USD 1 million for micro-, small and medium-sized enterprises. Symbiotics listed the bond on the Luxembourg Stock Exchange's Luxembourg Green Exchange. Virginia Escobar, the CEO of CACPECO, stated that the funding will support "women, specifically boosting our highly social financial products called Créditos Creer and Grupal Mujeres, as they link education, savings and cooperative spirit." CACPECO was launched in 1988 and has 198,000 members, 20 branches and total assets of USD 444 million. January 14, 2022

Medical Credit Fund Raises \$37m for Health SMEs in Africa

Medical Credit Fund (MCF), one of the four NGOs of the Netherlands-based PharmAccess Group, recently raised a mix of equity and debt totaling the equivalent of USD 37 million to boost its work in sub-Saharan Africa: (1) investing in small and medium-sized enterprises providing "primary healthcare services including malaria prevention...and maternal and child care;" and (2) developing the fund's Cash Advance service, which allows healthcare facilities in Kenya to borrow online at an interest rate of 24 percent per year. The funding includes first-loss equity of USD 8.5 million from the Dutch Ministry of Foreign Affairs and a loan of USD 2.8 million from Philips, a medical technology company...*

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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.

NEWS FROM AFRICA

Kenya's Sumac, Benin's RENACA Borrow \$4m from GCAF

The Grameen Crédit Agricole Foundation, a Luxembourg-based impact investor, has loaned the local-currency equivalent of USD 2.2 million to Sumac Microfinance Bank of Kenya and USD 1.7 million to Réseau National des Caisses Villageoises d'Épargne et de Crédit Autogérées du Bénin (RENACA). Founded in 2004, Sumac offers savings, insurance, and group and individual loans via six branches. Of its 3,000 clients, most live in rural areas. Established in 2005, RENACA offers products ranging from savings, loans and money transfers to advisory services and job training. Through eight agencies, the institution serves 41,000 customers, most of whom are women. January 27 and January 28. 2022

Incofin Lends \$1.5m to Lafaza for Fairly Traded Vanilla

Belgium's Incofin Investment Management recently lent USD 1.5 million from its Fairtrade Access Fund (FAF) to Lafaza Trading, a company with offices in Madagascar and the US that buys vanilla and other spices "directly [from 1,000] smallholder farm owners who use organic and sustainable agricultural practices." Lafaza also works with farmers to help them obtain organic certification via "capacity building on proper cultivation and curing techniques to enhance the quality of the vanilla." Lafaza was established in 2005. FAF supports 327,000 smallholder farmers in Africa, Latin America and the Caribbean. During 2020, it disbursed USD 50 million, earning USD 500,000 in profits. Incofin's portfolio is valued at USD 1.2 billion. January 19. 2022

Verdant Capital Hybrid Fund Closes with \$36m for African MSMEs

Verdant Capital, an African corporate finance firm, recently announced the first close of its Verdant Capital Hybrid Fund (VCHF), with USD 36 million in public and private commitments. VCHF will support funders of micro-, small and medium-sized enterprises with two primary goals: the "creation of employment and income generation," in keeping with "high environmental and social standards." The fund is domiciled in Germany, as its primary investor is Germany's KfW Development Bank. The term *hybrid* refers to an "intermediate capital tier that can be leveraged by local and international senior debt investors." January 19. 2022

Inclusion Program to Recruit Women as Agents in Sierra Leone

The UN Capital Development Fund recently embarked on a partnership with Orange Mobile Finance, a French firm also known as Orange Money; Mosabi, a US-based digital education and finance platform; and Empire Solutions, a digital microfinance institution in Sierra Leone, in an effort to boost access to finance for low-income people - including women and youth - in Sierra Leone by increasing: (1) financial literacy levels; (2) access to credit; (3) the number of financial access points; and (4) the number of women agents. Part of the motivation for the effort is that 96 percent of Orange Money's agents are male. By October 2022, the consortium seeks to train 2,000 new agents and reengage 500 inactive agents, of whom 1,100 will be women. Meanwhile, Mosabi plans to provide financial and digital literacy training sessions to 10,000 customers, of whom 2,000 will be offered a digital loan. January 14. 2022

FMO Lends \$6m to Fin'Elle for Women Farmers in Côte d'Ivoire

La Finance pour Elle (Fin'Elle), a unit of Côte d'Ivoire's Groupe Cofina, recently borrowed the equivalent of USD 5.7 million from FMO (Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden), a Dutch public-private partnership. The target market is women's micro-, small and medium-sized enterprises active in manioc - also known as cassava - value chains. Founded in 2018, Fin'Elle is a microbank serving 10,000 customers with deposits, loans, insurance and training. Groupe Cofina was founded in 2014 and focuses on "meso-finance" loans, those that are larger than microloans but smaller than traditional bank loans. The group's members operate 90 branches in France and eight African countries. January 13. 2022

BOA Kenya Guarantee to Boost Climate, Women-led SMEs

The World Bank Group's International Finance Corporation (IFC) recently announced an agreement with Bank of Africa (BOA) Kenya to expand its lending to women-led and climate-focused small and medium-sized enterprises (SMEs). IFC will reimburse BOA Kenya for half of the losses it may incur on a set of loans to qualifying SMEs, up to the local-currency equivalent of USD 5 million. Ronald Marambii, Managing Director of BOA Kenya, stated, "IFC's risk-mitigation product, combined with general and targeted advisory services support, will...help us transform into an SME-focused bank...." Founded in 2004, BOA Kenya is a unit of BOA Group, which is active in 18 countries and is headquartered in Benin and Senegal. BOA Group, in turn, is a member of the BCME Group, which is named for Morocco's Banque Marocaine du Commerce Extérieur. January 11. 2022

Tugende Borrows \$17m for Equipment Financing in East Africa

Tugende, a financial technology firm specializing in vehicle finance, recently raised USD 17 million in debt funding. The firm plans to use USD 12 million of the fresh cash to support growth in Uganda and the remainder to scale up in Kenya. While Switzerland-based impact investing firm Symbiotics is increasing its exposure to Tugende by USD 6 million, the other investors are new to the firm: (1) US-based Goldfinch, a lending platform facilitating USD 5 million for Tugende; (2) the Nordic Microfinance Initiative, a Norway-based public-private partnership investing local-currency equivalent to USD 5 million; and (3) Netherlands-based Lendahand, which raised USD 1 million for Tugende via its crowdfunding platform. Tugende offers a "lease-to-own" product for motorbike taxi drivers with medical and life insurance and support for acquiring driving permits and safety equipment. Tugende has 21 branches serving 47,000 people in Kenya and Uganda. January 7. 2022

EIB Lends Ecobank \$113m for Women, SMEs in Africa

The Togo-based Ecobank Group recently received a nine-year loan in euros equivalent to USD 113 million from the EU's European Investment Bank (EIB). The purpose is to develop the small and medium-sized enterprise sector, with a particular emphasis on the businesses "most impacted by the COVID-19 pandemic." The loan is paired with technical assistance on meeting women's needs from the EIB-funded African Women Rising Initiative. Ecobank operates 1,100 branches in 33 African countries, serving 29 million clients. The bank offers both personal and corporate banking services, and it reports total assets of USD 26 billion. December 30. 2021

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SPECIAL FEATURE

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Highlights from SAM 2021 in Kigali, Rwanda



Similar to the 2019 edition in Burkina Faso, SAM 2021 included a full day of training sessions by financial inclusion experts on Monday, October 18; a two-day conference on Tuesday and Wednesday; the increasingly popular Investor Fair along with the Innovators' Village on Thursday; and an additional day of training sessions plus the MAIN general assembly on Friday, October 22. During the week, 700 people attended from hundreds of microfinance institutions (MFIs) and dozens of investors and other organizations from around the world, including 37 African countries.

Strengthening Resilience

This year's conference theme was "One is not born, but rather becomes resilient: Strengthening inclusive finance to overcome crises." During the opening panel on the current status and future challenges for the inclusive finance sector, Dr Brian Chirombo of the World Health Organization noted the disproportionate effect of the COVID-19 pandemic on people with lower incomes and the unfortunate fact that, "We have had to divert resources that could have been used for development to the pandemic." The first keynote speaker at the conference, Renée Chao-Beroff from CIDR Pamiga, set the scene for further discussion by introducing three dimensions of resilience relating to inclusive finance: financial infrastructure, climate change and digitalisation.

Franz Fayot, the Luxembourgish Minister of Development Cooperation and Humanitarian Affairs, and Dr Uzziel Ndagijimana, Rwanda's Minister of Finance and Economic Planning, took the stage after Ms Chao-Beroff, along with Patrick Losch, the Chairman of ADA, for the official opening ceremony of SAM 2021. Luxembourg and Rwanda are intensifying their collaboration, having signed several agreements to deepen their ties, from ending double taxation to Luxembourg supporting the development of an international financial centre in Kigali. Both Ministers expressed their appreciation to ADA for succeeding in hosting this large, in-person gathering in such challenging circumstances. Indeed, this was the first conference in 18 months that most participants were able to attend in person!

Going Digital

The need for increased digitalisation of inclusive financial services was a recurring topic throughout the conference. For example, CIDR Pamiga's Wi-Agri, a product for smallholder cashew farmers in Côte d'Ivoire - borrowing ideas from Safaricom's Digifarm - offers farmers 24-hour access to buyers as well as savings, credit, insurance and advice. In addition to cutting costs and boosting convenience, digital services can help MFIs green their operations, for example by reducing the need for loan officers to travel to meet with clients.

Going Green

When MFIs finance green assets, there are benefits on many levels. For example, MFIs can fund energy-efficient equipment to process agricultural goods closer to where they are grown. Not only does this allow the rural processor to make a profit, but waste is reduced and young people see less reason to leave home for urban areas to find work. When an MFI funds a solar-electric system that increases a client's power usage by a third, one study shows that person may be able to grow his or her income by 70 percent. Olivier Deiters of Triple Jump said investors are very interested in renewable energy, and his firm would be "happy to leverage our network to help" MFIs develop green products.

Working Together

Success often hinges on partnerships and collaboration. This is why the government of Burkina Faso convened a group of 200 stakeholders to determine how to strengthen resilience. In addition, many - normally competitive - microfinance investors collaborated near the start of the COVID-19 pandemic to respond uniformly to MFIs that needed to adjust their repayment schedules. Myanmar is one market in which this was particularly effective.

An example of collaboration at the retail level is when an e-lender wanted to reach farmers that didn't have smartphones, and it turned to cooperatives to serve as intermediaries. Another MFI leveraged partnerships to offer its clients housing loans (as large as USD 27,000 with terms up to 10 years).

Of course, partnerships can occur among clients as well. When micro-lenders reach out to refugees, they often mix members of the host community in the same solidarity groups as refugees to foster neighbourly collaboration. This reduces the likelihood of the hosts feeling that the refugees are receiving undue special treatment.

Optimizing Incentives

Another theme of SAM 2021 was incentives. Both investors and financial services providers (FSPs) reported using the promise of lower interest rates to incentivize resilient practices, such as boosting the usage of microinsurance, climate-smart agricultural methods and various products targeted at youth. Meanwhile, farmers are more likely to make climate-friendly investments, such as installing solar irrigation pumps, when lenders calculate the payback periods for them.

A provider that connects farmers with part-time access to tractors found it was not incentivized to promote climate-friendly farming until its leadership realized the new practices were boosting farmer incomes by 25 percent, thus rendering these clients more profitable. Another lender, however, noted the challenge of convincing clients to change their practices in the face of "the influence of agribusinesses promoting usage of their products" that are less climate-friendly.

In addition to helping clients adopt more sustainable practices, FSPs must get better at measuring the resulting impacts. One reason for this is the new EU rules requiring investors to report on sustainability. In turn, FSPs will need to report to investors on sustainability in order to continue to access funding. This will require a significant level of technical assistance.

Assessing Needs

Many presenters at SAM 2021 cited the value of needs assessments. A provider of solar irrigation pumps said, "We have 15 different pumps.... We ask: what do you do, what do you farm, how many acres?". This allows the firm to estimate the return the farmer can expect from each product (resulting in stronger incentives, as discussed above). Another example is the use of a gas-producing biodigester, which may require the manure of four cows to meet the capacity of the device. Thus some clients may need money for buying cows to be included as part of the loan that finances the digester.

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When considering the needs of FSPs to become more resilient, a common gap is preparedness for cyberattacks. Luxembourg addresses this by providing domestic firms with free cyber-defense advisory services.

Be Bold!

Multiple speakers expressed concern that the development sector is not on track to achieve the UN's Sustainable Development Goals. They proposed bold action to increase return on investment. One recurring topic was the need to address the lack of employment opportunities in Africa - amid rapid population growth.

Keynote speaker Marieme Esther Dassanou of the African Development Bank sees the issue through a gender lens. She argued that MFIs need to do more to help women grow their microenterprises into small and medium-sized enterprises (SMEs): "How else are we going to create the jobs that are needed across the continent?" The jobs problem is particularly acute among youth. While some unemployed young people are finding success - such as via technology-oriented entrepreneurship - armed groups in many regions are recruiting idle youth with better offers than they are getting from MFIs.

MFIs need bold investors that are willing to commit equity financing to establish deep partnerships, supporting MFIs' long-term health. When evaluating a project, investors should beware of allowing a single metric to derail their participation in an otherwise viable project. For example, solar firms in Africa today are unlikely to have 10-year track records. Many investors overestimate the risks involved in impact investing, even when a government guarantee is sweetening the deal. FPM SA of Democratic Republic of the Congo - despite the string of crises that its country has weathered - is one example of an impact investor that been profitable for six years in a row. Since the onset of COVID-19, it has increased its number of investees from 10 to 17.

This bold choice to invest when the market is down is similar to what many governments did in response to the pandemic. The government of Burkina Faso established its Fonds National de la Finance Inclusive to boost microentrepreneurship and deliver pension payments amid both the pandemic and armed conflict in that country. When the government of Rwanda was looking to boost financial inclusion, it established over 400 rural SACCOs (savings and credit cooperatives). This - along with increased availability of mobile phones and mobile money - helped Rwanda boost its rate of financial inclusion from 48 percent to 93 percent in about a decade.

Being bold can help a broad range of stakeholders. For example, lenders who became conservative early in the pandemic need to become flexible again, as many MFIs are missing opportunities to up-scale to serve SMEs. At the same time, many fintechs are too focused on consumer lending and could branch out to other segments.

MFIs need to be more inclusive to reach even the most vulnerable groups. For example, MFIs often shy away from serving refugees, based on preconceived notions of the population. Bringing MFI leaders into refugee camps to talk to potential customers and see their businesses in action can overcome this fear. One investor found the skepticism he heard from MFI leaders about working with refugees reminded him of talks he had many years ago with bankers about microcredit! Since the onset of the pandemic, this investor reported his firm's PAR for loans to refugees had risen from near zero to around 7 percent, a rate he described as "much better" than other segments. Being bold pays off!

Innovators and Investors

Following the two days of conference sessions at SAM, Thursday was dedicated to a pair of very popular networking events, the Innovators' Village and the Investor Fair.

The Innovators' Village showcased dozens of established businesses and startups offering inclusive solutions. One of these was E-clectics, which offers a POS device through which an agent can work with multiple

FSPs instead of having a separate device for each FSP. Meanwhile, Akiba helps FSPs establish client creditworthiness using a WhatsApp chatbot to collect information such as POS data, financial statements and selfies (for know-your-customer compliance).

Other businesses showcased at the Innovators' Village included Rubyx, which works with MFIs to pre-approve repeat loans for customers before their current loans mature, in one case boosting renewal rates from 60 percent to 80 percent. Finz and HEDERA offer systems for tracking and communicating a range of social and environmental impact indicators.

During the SAM Investors' Fair, which also took place on Thursday, MFI representatives and investors participated in more than 400 one-on-one sessions to explore potential new partnerships. For example, Caroline Kamau of Triple Jump reported that her firm participated in over 40 such "speed dates" during which she and her colleagues "identified some quite promising investees and initiated discussions on future collaboration opportunities with multiple peer investors."

The Fair has been growing in popularity over the years, with more and more investors participating. Several even suggested that the event be extended to two days at the next edition of SAM, as they barely had enough time to meet all the MFI leaders they wished to see. Jean Claude Thetika, the General Manager of FPM ASBL, exclaimed, "Only SAM offers us this angle on prospective deals!"

Key Takeaways

- Microborrowers, FSPs and investors are becoming more aware of the financial (and health) benefits of going green, as these practices are resilient, sustainable, efficient and less risky.
 - Improving regulatory infrastructure is key to boosting resilience. This includes efforts as diverse as issuing and updating national plans for financial inclusion and resilience as well as creating enabling environments for MFIs and SMEs.
 - High-quality digital financial services give people and institutions more options when disaster strikes, whether this is sending a remittance to a family member whose house has flooded or applying for a loan or insurance online without needing to travel during a pandemic. That said, cybersecurity is becoming a key issue that needs to be addressed by all stakeholders to boost the protection of clients and institutions alike.
 - While impact investors have been successful in working together to support FSPs in adjusting to COVID-19, mainstream investors now need encouragement to scale-up the models that impact investors have proven viable.
-

Looking Ahead to SAM 2023

SAM 2021 closed with Friday's general assembly of MAIN plus training sessions on topics such as agent banking, cybersecurity, responsible digital finance, and making financial and social projections. The SAM week was once again a great success and a key networking event, especially given the lack of in-person networking opportunities since the onset of the pandemic.

The next SAM will take place in 2023, in a yet-to-be announced location. Until then, ADA will keep up the momentum! 📌

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EAR TO THE GROUND

The Year of Lending Expensively: Focusing on Rates Can Blind Regulators to Better Ways to Protect Consumers

For decades, MFIs have tried to defend their relatively high pricing to a range of stakeholders: regulators, investors, donors and the general public. Difficult economic and political times have led to waves of public discontent, followed by attempts by regulators to control interest rates. During the COVID-19 pandemic, some regulators have insisted on caps on interest rates, and others have begun to consider them. Interestingly, fintechs have remained safe from this oversight - so far - perhaps because many regulators still are trying to understand exactly how they work. The fact that most online lenders do not offer savings is one factor helping them skirt regulators' priorities for the time being.

Considering how many clients are struggling to dig themselves out of the pandemic's upheaval, it is easy to understand why governments are trying to encourage more inclusive access to small loans. However, I had a conversation over the holidays with the leaders of a few larger MFIs and was troubled by the lack of nuance in this view.

Since the onset of the pandemic, average loan sizes in many MFI portfolios have declined, and they likely will stay below pre-pandemic levels for the medium-term. One reason is that small businesses and households are generally making less money. The second is that those clients who have been most resilient run the smallest of businesses - because they have no other choice for putting food on the table. MFIs have observed that these clients have shifted their businesses to rely more on unpaid family labor, sell different products (e.g. masks, takeaway food, cleaning supplies), and use different sales channels (e.g. Facebook and WhatsApp, which have become accessible as marketing channels for

even the smallest businesses). As MFIs look for opportunities to expand in 2022, it seems only logical for them to look toward smaller loans - in many cases to smaller businesses.

Most actors in this market understand that small loans are more expensive to service and therefore require higher interest rates to cover this cost. I believe 2022 will be a big year for MFIs pushing to bring down stubborn operating costs. There is some optimism around the viability of this, as I discussed in my December 2021 "Ear to the Ground" column (in that the pandemic has led to some process streamlining and other efficiencies). Meanwhile, clients are struggling to get loans, making them vulnerable to predatory lenders who charge even higher interest rates than MFIs. These include loan sharks, who come with high emotional and physical costs (such as vandalism in case of late repayment), and fintechs, which often sell loans to clients on terms they don't understand. Both are lending at exorbitant rates and often serve a clientele that would opt out of these services if they had better choices.

MFIs that are positioned to grow may be the best option for low-income clients looking to borrow now, despite their relatively high interest rates. Regulators should be helping these MFIs gain efficiency and get back to business - while keeping an eye on new market entrants that may try to take advantage of clients that MFIs can't serve by selling them products that are too expensive, unsuitable or downright dangerous.

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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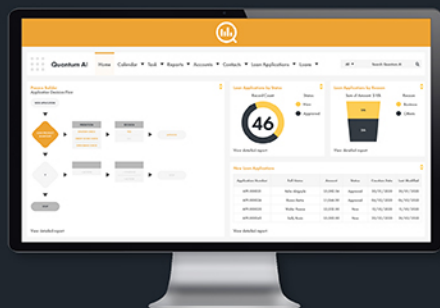
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PAPER WRAP-UPS

Beyond Wage Digitization: Financial Capability and Economic Empowerment of Cambodian Women Migrant Workers

By Agnes Salyanty and Jonathan Fu, published by Women's World Banking, December 2021, 26 pages, available at <https://www.findevgateway.org/paper/2021/12/beyond-wage-digitization-financial-capability-and-economic-empowerment-cambodian>

This report analyzed the financial awareness, financial behaviors and economic empowerment of 2,800 women - mostly migrants - working in 13 factories in Cambodia and paid via digital accounts with Wing Bank. The authors' initial literature review indicated women often hesitate to use digital financial services due to: (1) low levels of trust in the services; (2) practical issues of usage and usefulness; and (3) perceived cost.

The results of this study are based on a survey conducted by Wing and US-based NGO Women's World Banking in June and July 2021 as part of a 12-month impact evaluation of training delivered by Wing. Participants in the study were earning an average of USD 300 per month. Despite having broad access to and some awareness of their digital wage accounts, the participants tended to prefer using agents or cash. For example, 37 percent of the group claimed to be aware of how to pay bills digitally, but 8 percent actually used their Wing accounts to do so. Meanwhile, 92 percent owned a smartphone, but only 11 percent used the Wing mobile app, suggesting that obstacles persist, such as lack of perceived need and limited digital literacy.

Other results included: (1) workers generally were able to manage their day-to-day expenses but faced challenges with the ability to cover unplanned future expenses; and (2) withdrawals were relatively high and frequent, but there was significant potential for increased savings, payments and borrowing. For example...*

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Better Practice Guidance on Women's Digital Financial Capability

Published by the Center for Financial Inclusion at Accion, November 2021, 8 pages, available at <https://www.findevgateway.org/paper/2021/12/better-practice-guidance-womens-digital-financial-capability>

This paper addresses methods for increasing women's "ability to access, manage, understand, integrate, evaluate and use financial services offered through digital technologies." The authors suggest financial services providers (FSPs) and other entities seeking to support women in accessing finance first interview women in the targeted communities to learn the extent of their digital and financial literacy while identifying needs and challenges. This allows FSPs to customize their programming to the community. In all locations, the authors argue that programs be designed to accommodate varying learning speeds. Additionally, women often face constraints on their time, therefore programs should offer content on-demand, such as via pre-recorded videos and SMS (text messaging).

Showcasing women in the community as role models can give other women the confidence and tools they need to learn. One program in Kenya found that participants confused by telephone touchpads made good progress with the support of...*

Resilient and Inclusive Financial Services Delivery During COVID-19

Published by Toronto Centre, November 2021, 82 pages, available at <https://res.torontocentre.org/guidedocs/Resilient%20and%20Inclusive%20Financial%20Services%20Delivery%20During%20COVID-19.pdf>

This research examines the effects of the COVID-19 pandemic on financial services in Rwanda, Sierra Leone and Zambia. In particular, the study explores changes in the "face-to-face (F2F) delivery of financial services" to groups traditionally underserved by financial institutions, including "women, youths, small and medium enterprises, smallholder farmers and rural households."

As expected, financial services providers (FSPs) in each country experienced significant reductions in F2F delivery of financial services upon the onset of the pandemic. In Rwanda, usage of mobile banking among those surveyed increased from 17 percent to 36 percent. While Zambia experienced a significant increase in mobile and internet banking as well, its strategy also included expanding the use of agents. Sierra Leone experienced less significant upticks in alternative forms of banking, possibly due to the comparatively light impact of COVID-19 on the country. In addition, survey respondents describe FSPs in Sierra Leone as risk averse, and hence possibly...*

MICROFIN

Operational Planning for MFIs

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