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Trukkr of Pakistan Raises \$6.4m in Equity for Transport Fintech

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Al-Qutaibi Funding Renewable Energy, Climate Adaptation in Yemen


Yemen's Al-Qutaibi Islamic Bank for Microfinance recently launched a specialized department to support farms and other small and medium-sized enterprises in acquiring technology to produce renewable energy as well as "climate-smart" farming tools such as "solar-fed irrigation systems, greenhouses, and tunnel farming tools." Al-Qutaibi's Deputy General Manager for Finance and Investment Affairs, Ayid Al-Momari, said, "With the acute spike in oil prices, green finance has become a necessity to support the agricultural sector.... In just three days after this launch, we have opened 1,200 new customer accounts - 25 businesses and the rest individual." The US Agency for International Development supported the effort through its Economic Recovery and Livelihoods Program. March 16. 2023

Agritech Semaai Raises Equity for Expansion in Indonesia

Semaai, an Indonesia-based agricultural technology firm, recently obtained bridge funding in an equity raise led by Accion Venture Lab, a unit of US-based nonprofit Accion, and XA Network, a Singapore-based venture capital firm, with ongoing investors Beenext and Surge increasing their exposure to Semaai. Although the amount invested by each party has not been released, the goal of the capital injection is to expand Semaai's product offerings to farmers and agricultural retailers in Indonesia. In particular, Semaai plans to boost its provision of digital advisory services and develop an app facilitating access to locally sourced farming inputs such as seed and fertilizer. The firm's services include: (1) a digital marketplace for agricultural inputs; (2) access to produce markets; and (3) agricultural advisory services. With this latest funding round, the firm has raised a total of USD 2.9 million in equity. The retailers on Semaai's digital marketplace serve 2.6 million farmers across 3,000 villages on the island of Java. March 15. 2023

Ebanx to Facilitate E-commerce in Brazil via Pix

Ebanx, a Brazil-based payments company with operations in 15 countries, recently received from the Banco Central de Brasil, the country's central bank: (1) authorization to use the country's instant payments platform Pix; and (2) a Payment Initiation Service Provider license. Together, these steps will allow Ebanx to simplify e-commerce for the 500 merchants it serves in Brazil. Erika Daguani, Vice President of Product at Ebanx, said, "As a payment initiator, Ebanx can now streamline the payment process, reduce friction and increase transaction security, and the user no longer needs to leave the store's website or app, log into a bank's app or..."

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NEWS FROM AFRICA

Tingo Mobile Launches Visa Card, TingoPay App, Business Portal

Tingo Mobile, a subsidiary of the US-based Tingo Group that has focused on providing technology services to farmers in Africa, is targeting business owners of all types with its recently announced Tingo Visa card, TingoPay app and TingoPay business portal. Through these products, which leverage the firm's new partnership with US-based financial technology company Visa, Tingo customers can accept payments in multiple currencies and make purchases through Visa's network of 61 million merchants in 200 countries. In addition, the TingoPay app gives small and medium-sized enterprises (SMEs) access to foreign exchange, e-wallet, storefront and payment services. Tingo Group CEO Dozy Mmobuosi said, "SMEs in all business sectors stand to benefit from our new range of Tingo Visa merchant services and the TingoPay business portal, whereas our smallholder farmer customers will see significant additional advantages through the integration of TingoPay with our Nvassa agri-marketplace platform." Tingo Group, formerly known as MICT, is a publicly traded provider of financial and agricultural services in Africa and Asia. For the quarter ending September 2022, Tingo Group reports profits of USD 3.2 million on revenue of USD 14 million. March 27, 2023

Kenya's DTB to Allow Fintechs to Issue Mastercards

Diamond Trust Bank (DTB), a Kenya-based institution serving four countries in Africa, recently expanded its partnership with US-based payment processor Mastercard, to enable financial technology companies to offer Mastercard payment cards to their customers via DTB. The bank has been approved by the Central Bank of Kenya to offer "cards-as-a-service," which allow non-banks to offer credit, debit and virtual cards with a range of features. DTB CEO Nasim Devji said the development "will not only enable us to enhance our service offering, but also contribute to the development of a more inclusive and advanced digital payment ecosystem in East Africa." Founded in 1945, DTB is publicly traded and reports total assets equivalent to USD 3.8 billion and nine-month profit of USD 67 million as of September 2022. In addition to its operations in Kenya, the bank has subsidiaries in Burundi, Tanzania and Uganda. March 24, 2023

OPEC, UNCDF to Expand Access to Modern Appliances, Energy

The Organization of the Petroleum Exporting Countries (OPEC) Fund for International Development recently granted USD 1 million to the UN Capital Development Fund (UNCDF) to co-finance clean cooking, energy access and renewable energy through the Climate Finance and Energy Innovation Hub. This vehicle was created in 2022 by the two entities along with the Austria-based NGO Sustainable Energy for All (SEforALL) to provide an "end-to-end policy and finance global platform, which will introduce innovative financing solutions to leverage additional capital for sustainable energy." Madagascar and Tanzania are among the first countries that the initiative will target. During 2021, the OPEC Fund committed USD 1.5 billion to 47 projects. For the same year, UNCDF reported incoming contributions of USD 138 million. March 22, 2023

Afrigreen Fund Nets \$93m for Solar Power for SMEs

Two French companies, Echosys Invest and Rgreen Invest, recently announced the first close of their Afrigreen Debt Impact Fund with the equivalent of USD 93 million to finance solar power plants for small and medium-sized enterprises (SMEs). The fund will focus on Central and West Africa, with local-currency financing available for projects located in Ghana and Nigeria. The sponsors continue to seek investments for the fund, aiming to reach a final volume of USD 106 million to be deployed to about 25 firms with loan terms of about nine years. The recent commitments come from two France-based banks, BNP Paribas and Société Générale, as well as the EU's European Investment Bank (EIB), the World Bank's International Finance Corporation, and development finance institutions backed by the Belgian and French governments. EIB Vice President Ambroise Fayolle said, "As the EU Climate Bank, the EIB is pleased to provide [USD 26 million] to back targeted on- and off-grid solar investment by Afrigreen across West and Central Africa to support SMEs and [small and medium-sized industrials] in their energy transition, reduce fossil fuel imports and cut carbon emissions." Echosys Invest is owned in equal portions by Rgreen and the France-based investment firm Echosys Advisory. March 9, 2023

Copal App to Help Youth in Egypt with Financial Management

Copal, an Egypt-based financial technology firm, recently entered a partnership with US-based payment processing corporation Mastercard to roll out an app that helps families in Egypt make payments and otherwise manage their finances. Plans for the app include allowing adult family members to manage the platform, such as by setting spending limits and tracking their children's expenses. Copal's services include Mastercard-branded prepaid cards for adults and children under the age of 16, with associated "gamification features and personal financial assistan[ce] tailored for each junior and family." The firm, which was established in 2022 with funding from Egypt-based venture capital firm Flat6Labs, plans to "fully on-board" across Egypt and then expand elsewhere in Africa. March 7, 2023

WeLight Madagascar Raises \$20m for Off-grid Solar

WeLight, a renewable energy firm operating in Madagascar and Mali, recently raised the equivalent of USD 20 million to build solar mini-grids. The funders are the Electrification Financing Initiative of the Belgium-based European Development Finance Institutions, three funds managed by Netherlands-based Triodos Investment Management and the EU's European Investment Bank. These commitments complete the fundraising phase of a USD 30 million project to build off-grid solar installations, including energy storage systems, distribution lines and meters, in Madagascar. The installations are slated to serve 250,000 people by electrifying 45,000 homes and businesses in 120 villages. WeLight sourced the prior funding for the project as loans from its equity investors AXIAN Group, a Madagascar-based conglomerate; Sagemcom, a French industrial firm; and the Norwegian government's Norfund. Established in 2018, WeLight provides renewable energy to 9,000 homes via 40 mini-grids in rural Madagascar and Mali. March 6, 2023 🇲🇵

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SPECIAL FEATURE

This feature is part of a sponsored series on European Microfinance Week 2023, which will be held from November 15 to November 17. MicroCapital has been engaged to promote and report on the conference each year since 2012.



Christoph Pausch on the European Microfinance Award 2023: Inclusive Finance for Food Security & Nutrition

MicroCapital: Why was “Inclusive Finance for Food Security & Nutrition” chosen as the topic of this, the 14th edition of the European Microfinance Award?

Christoph Pausch: For a long time, it looked like progress in this field would be positive and continuous. But a combination of factors - among them climate change, the COVID-19 pandemic and the global inflationary context - means that progress in food security and nutrition may have stalled, or in fact reversed. According to the World Food Programme, “Conflict, economic shocks, climate extremes and soaring fertiliser prices are combining to create a food crisis of unprecedented proportions.” And the Food and Agriculture Organization reports that the number of people affected by hunger has grown by 150 million since the onset of the pandemic. But the problem is not only one of hunger - lack of access to sufficient food - it's also one of insufficient quality, meaning poor nutrition, and lack of access to the micronutrients necessary for good health, all compounded by the stress of uncertain supply. There may be 2 billion people worldwide in this category.

There are many sectors that have to play roles in addressing food security and nutrition. And because the people most vulnerable to food insecurity and malnutrition are largely those who are low-income, living in low-income countries and financially excluded, there is a vital role for the financial inclusion sector.

MC: What type of initiatives are you expecting to see?

CP: Obviously, months of research and consultation has preceded the launch of the Award, and the e-MFP team is enormously grateful for the time and expertise so many people have given us in preparing the materials for the application round. But there is plenty of mystery as well - we don't know fully what types of organisations will apply and what initiatives we will see! What we know for sure is that food security and financial inclusion are intrinsically related, and the core building blocks of financial inclusion - helping people plan, save, mitigate shocks, invest, and “smooth” their income and expenditure - are all positively linked to access to and affordability of sufficient quality food. We expect and hope to see initiatives on both the demand and supply sides - meaning both in facilitating the production and distribution of food, but also in safeguarding and increasing access to food for vulnerable clients, whether in rural or urban areas. We recognise too that inclusive finance - and specifically microcredit - can, in the wrong context, be detrimental. What happens when a poor family is struggling to put food on the table but knows that failing to make a repayment of a microloan will prevent further access to finance? Do they cut back on food, including for their children? So, financial inclusion organisations need to not only help, but also ensure they “do no harm.” This is as important a response to food insecurity as initiatives aimed at increasing food availability and improving nutrition.

MC: What will the evaluation committees be looking for?

CP: The objective of this year's award is to highlight innovations by financial inclusion organisations to safeguard access to quality and affordable food for vulnerable populations and to increase the resilience of sustainable food systems. You can see that there is a lot to unpack there, and all of it is important - from the innovations to the element of resilience to the safeguarding of access. As for the process, it is, as always, a multi-stage and rigorous evaluation conducted by a series of committees. Of course, there are eligibility requirements to be met first, but the pre-selection committee in the first round will primarily be looking for an applicant's real understanding of the food security context and challenges, a clear and strategic response to these, and a serious mechanism for measuring impact and outcomes.

“...because the people most vulnerable to food insecurity and malnutrition are largely those who are...financially excluded, there is a vital role for the financial inclusion sector.”

-Christoph Pausch, e-MFP

MC: Who can apply for the Award this year?

CP: We hope for and expect a diverse field of organisations. Like in previous years, we have sought to be as expansive as possible in the eligibility criteria. An applicant organisation has to be active in the financial inclusion sector, have been fully operational for at least two years, with the relevant initiative active for at least one year, and it must be based and operate in a Least Developed Country, Low Income Country, Lower Middle Income Country or an Upper Middle Income Country. All the eligibility requirements and the application and evaluation processes can be found on the [European Microfinance Award](https://www.european-microfinance-award.com) website.

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

CP: As before, there is a significant financial prize (EUR 100,000 to the winner and EUR 10,000 to each of two other finalists) generously provided by the Luxembourg Ministry of Foreign and European Affairs - Directorate for Development Cooperation and Humanitarian Affairs. This is undoubtedly a substantial incentive, but we've seen over the many years we've been doing this that maybe as much benefit comes in the exposure that the 10 semi-finalists (and finalists, and especially the winner) all get via international and industry press coverage; e-MFP's [annual publication](https://www.european-microfinance-award.com), which profiles all the semi-finalists and extracts the key factors for success from their initiatives; and connections to e-MFP's extensive network of stakeholders working all over the world, as well as 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 EUR 100,000 European Microfinance Award is jointly organised by the [Luxembourg Ministry of Foreign and European Affairs](https://www.luxembourg.gov.lu) - Directorate for Development Cooperation and Humanitarian Affairs, e-MFP and the [Inclusive Finance Network Luxembourg](https://www.inclusive-finance-network-luxembourg.com). Applications for the (short) first round of the European Microfinance Award opened on March 15 and close on April 12 at 23:59 CET. The winner will be announced during a ceremony on November 16, during [European Microfinance Week](https://www.european-microfinance-week.com). For more information and to apply, please visit <https://www.european-microfinance-award.com>.



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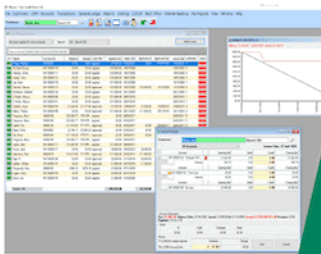


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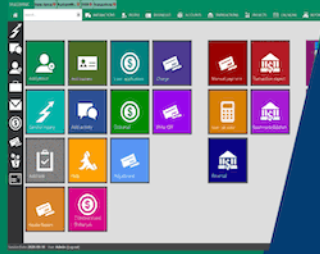
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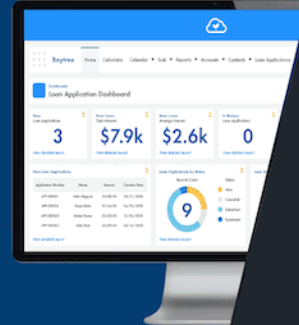
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EAR TO THE GROUND

Reflections from REDCAMIF's Reencounter Event: The MFI Sector Is Networked, Alive and Well

I had the great pleasure last week of attending the Central American Microfinance Network's (REDCAMIF's) biannual conference in Antigua, Guatemala. The conference was dubbed "el Reencuentro," or the Reencounter. This was a perfect name, as the event had not been held for five years due to the COVID-19 pandemic, and there were hugs all around! There is something palpable about seeing each other in person that we have not quite achieved online, and it was clear that the participants had been missing this. For me, the magic took several forms: a serendipitous meeting with a fintech founder with whom I discussed the challenges of offering B2B services in the grocery sector as we waited for the live music to start; a hug that reminded me whom is in my trusted circle and I'd do well to work with again; the humanization of people I only know a little as I saw them reuniting, teary-eyed. Actually, I got teary quite a few times, including at our Finequity workshop on co-creating solutions for gender equity in microfinance. Here about 15 leaders from our industry volunteered two hours of their time moderating and documenting a workshop of some 150 people for this important cause. They shared examples that leveraged anecdotes from the event, making our in-person format all the more relevant.

While REDCAMIF targeted 500 attendees, it registered 800, and another 100 slipped in - all investing good money and travel time to meet peers, funders, vendors and donors in person. Not since the Inter-American Development Bank's (IDB's) last FOROMIC have so many people involved in microfinance descended on one city. I would actually argue that microfinance operators *per se* were in larger numbers at this event than at IDB's last few FOROMICS. The latter began to feel less relevant once former IDB President Luis Alberto Moreno began distancing the institution from microfinance. Looking back on my notes, I found that already in 2015, Mr Moreno had touched a few nerves at

the FOROMIC in Santiago, Chile, as he congratulated the audience on its accomplishments in lending over USD 40 billion to over 20 million microcredit clients that year, implying that the microfinance sector should be weaned off IDB grants. After that, IDB tried to rebrand the event in new directions. The last FOROMIC, in 2019, was dubbed "Reinventing Inclusion" - yet another snub to institutions that have been including poor households for decades. Rather than focusing on MFIs' potential, IDB invited representatives of various other sectors, suggesting that the time for microfinance had passed.

Reinvention is necessary - don't get me wrong. Before the pandemic, stodgy paper-based MFIs seemed stale in their lack of innovation. But we shouldn't throw the babies out with the bathwater. In fact, last week, even the MFIs in the small markets of less flashy Central America showed themselves to be incredibly resilient in the face of the pandemic. Many have invested in technology and become more profitable than ever.

Cesar Barahona of Integral in El Salvador explained that during the pandemic, his MFI moved to integrate digital financial services with its back-office processes. The first day the new online banking service was activated, Integral logged 500 security threats! "There are technology providers that have a high level [of security capability]; it is important to find them. Networks and events like these allow us to get to know each other and give recommendations to avoid mistakes."

Given their levels of outreach and infrastructure, MFIs like Integral are well-positioned to help as the world looks to address big problems such as climate adaptation and migration.

About the Author: Ms Barbara Magnoni is President of EA Consultants, a development consulting firm based in New York. She has more than 30 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). 📧

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PAPER WRAP-UPS

The Impact of Microfinance Institutions on Poverty Alleviation

By Collin Chikwira, Edson Vengesai and Petronella Mandude; published by the Journal of Risk and Financial Management; September 2022; 13 pages; available at <https://www.mdpi.com/1911-8074/15/9/393/pdf>

The authors of this report reviewed evidence of the effects of microfinance institutions (MFIs) on poverty in developing economies and then applied “short-term” and “long-term” models to data from Zimbabwe covering the years 2009 through 2019. The short-run model indicated that: (1) increased poverty increased the growth of microfinance lending volumes; (2) there was bidirectional causality between increased microlending and the growth of small and medium-sized enterprises (SMEs); and (3) the growth of SMEs alleviated poverty. However, there was no evidence that microlending affected poverty significantly in the short term. The long-run model likewise indicated that SME growth reduces poverty, and, similarly, the authors found agricultural development to decrease poverty. On the contrary, the growth of MFI lending...*

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Financing the Blue Economy

By Michael Adams, Nicola Lei Ravello, Asad Maken and Rhadika Lal; published by the Asian Development Bank, UN Development Programme and UN Environment Programme; June 2022; 60 pages; available at <https://www.adb.org/sites/default/files/publication/806136/financing-blue-economy.pdf>

Mr Adams et al rank 16 ocean-related market segments in order of investment potential, based on criteria in Asian Development Bank’s (ADB’s) Healthy Oceans Action Plan as well as their relevance to various countries in the Asia-Pacific region. The sectors deemed to have the most potential for making progress toward social and environmental goals are marine and

river ecosystems; aquaculture and algaculture; marine energy; pollution and wastewater management; and green ports and shipping. The first of these - marine and river ecosystems - has the additional advantage of lower financing requirements than other sectors.

Although there is a gap in blue finance, it could be addressed by various types of investors, such as corporations, impact investors, insurers and venture capital firms. Blended (government-backed) finance structures can assist in attracting this investment, particularly as a de-risking tool for projects in emerging markets. The authors posit that small and medium-sized enterprises (SMEs) offer the most attractive...*

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