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**Insurtech Firm Inclusivity of South Africa Raises $1.5m, Led by Goodwell**
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**OPIC Commits $10m to Ilu Women's Empowerment Fund for LAC**
The Overseas Private Investment Cooperation (OPIC), an agency of the US government that promotes economic partnerships in countries deemed important to US interests, recently committed senior debt totaling USD 10 million to the Ilu Women’s Empowerment Fund, an investment vehicle managed by Canada-based private equity firm Dotken Impact and US-based nonprofit Pro Mujer. The fund deploys investments intended to “promote women in leadership and governance, products and services that meet the needs of women and girls, gender-sensitive value chains and equity” in Latin America and the Caribbean. Kathryn Kaufman, OPIC’s managing director for global women’s issues, stated that by increasing “access to products and services that empower low-income women like financial services and safe housing, OPIC will help equip women with the tools they need to transform their communities.” Including the infusion from OPIC, the fund has raised USD 25 million of its target volume of USD 35 million. June 21. 2019

**Ghana Cuts Loan Rates to 12%, Starts $172m Microfinance Bailout**
The Microfinance and Small Loans Centre (MASLOC), a government-controlled provider of retail and wholesale microcredit in Ghana, will be cutting the interest rate it charges on retail loans from 24 percent to 12 percent per year. These group and individual loans have terms of up to one year and range in size from USD 19 to USD 1,900. MASLOC also received the equivalent of USD 14 million from the government for an expansion including the opening of a MASLOC office in every district in Ghana that does not yet have one. Meanwhile, the government completed a bailout of the country’s banks in 2018 and estimates that USD 1.3 billion is needed to shore up non-bank deposit-taking institutions. Approximately 700,000 depositors have money tied up at troubled microbanks, rural banks and community banks. The government has budgeted USD 172 million to address the problems at microbanks in a process that “is expected to begin by the end of the third quarter [and] significantly trim down the number of microfinance companies in the country.” June 12. 2019

**EFSE Lends $10m to OTP Leasing for Rural MSEs in Ukraine**
The European Fund for Southeast Europe, a Luxembourg-domiciled microfinance investment vehicle, recently issued a loan of USD 10 million to the Ukraine’s OTP Leasing, a unit of OTP Bank JSC, which in turn is a member of the Hungary-based OTP Group. The loan is intended to “enhance access to longer-term fixed assets financing for rural and agricultural micro- and small enterprises…”. OTP Leasing, which finances machinery, equipment and vehicles, holds a portfolio valued at the equivalent of USD 240 million. OTP Group, a banking group that grew from Hungary’s Orszagos Takarekpenzar (OTP), reports total assets of USD 51 billion, return on assets of 2.3 percent and return on equity of 19 percent. The group has 1,400 branches in Eastern and Southeastern Europe. June 11. 2019

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SPECIAL REPORT

This feature is part of a sponsored series on European Microfinance Week, which will take place from November 20 through November 22, 2019. The event is held each year by the European Microfinance Platform (e-MFP), a Luxembourg-based network with over 130 members. MicroCapital has been engaged to promote and document the event on-site each year since 2012.

The “Financial Inclusion Compass 2019”: e-MFP to Launch 2nd Annual Survey of Financial Inclusion Trends

Trends, trends, trends, everywhere. Discussions about the trends underway in the financial inclusion sector dominate workshops and panel debates at all major conferences, as experts peer into crystal balls and extrapolate from what is currently happening in the sector to predict what will change in the years to come.

But too often, this sort of discussion just exists in that moment, for an audience in the room, and then vanishes into the ether. What if there was a more structured way to ask stakeholders what they see as the current and future trends, capture those responses and track them over time?

The inaugural European Microfinance Platform (e-MFP) survey of financial inclusion trends was launched as a response to this question during the summer of 2018. The Financial Inclusion Compass 2018 – the paper which presented the findings from that survey of e-MFP members and other financial inclusion stakeholders – was released during European Microfinance Week 2018 (EMW) last November.

The Compass was conceived as a way to leverage e-MFP’s unique position as a knowledge hub within the sector, including by distilling some of the best debate from the annual EMW workshops. It gave a wide array of practitioners, investors, donors, academics and support service providers the opportunity – via a mixed-methodology online survey – to: (1) score and describe the importance of various Trends; (2) evaluate and give opinions on New Areas of Focus; and (3) provide open-ended qualitative input on sector challenges, opportunities, medium-term forecasts, financial service providers of the future, a policy-making “wish list” and longer-term hopes.

The results of the survey are too detailed to dig deeply into here, but they make for interesting reading. As Figure 1 illustrates, the top five most important trends were: Client Protection; Regulatory Environment; Governance; Outreach to Low-Income Segments; and Technology and New Delivery Channels. In the New Areas of Focus section, there was a clear dominance of agri-finance, with SME finance, climate change, housing and energy rounding out the top five.

Various themes emerged from the open-ended questions too, such as the perceived threat of the fintech revolution, including digital financial services to end-clients; the related importance of client protection; the emerging focus on agri-finance and its related issues of climate change

adaptation, energy finance and outreach to new segments; the mixed ecosystem of financial service providers that will coexist in the future; and the key challenge of expanding financial education.

A positive reception to the survey and the Compass has meant that, one year on, e-MFP is ready to launch the second annual survey. There will be some changes, however; and plenty of time over this year has been spent gathering feedback on the survey and the publication (including at a recent dedicated event hosted by InFiNe) to ensure it asks the right questions and in the right way, while retaining the ability to compare results year-to-year in the future. There will be a deeper “dive” via dedicated questions into the top three trends of last year’s survey. Certain sections, such as the direction of trends and the policy-making “wish list,” will be rotated out to allow space for new questions.

**Figure 1. Ranking of importance of financial inclusion trends, 2018.**

Following last year’s inaugural survey, we at e-MFP hope to increase both the number of responses, as well as the representation of certain stakeholder groups – especially practitioners and researchers. So we ask any Monitor readers who are willing to give 15 minutes of their time to complete the online survey and contribute to this invaluable insight. You can help us all see not only where the sector believes it is heading and how attitudes, hopes, concerns and ideas evolve from year to year, but also one day see exactly where the sector got it wrong and where it was right.

The second annual e-MFP survey of financial inclusion trends will open in early July, and close in late August, with the Compass released in November. If you wish to participate and have not received the survey link, please visit [www.e-mfp.eu](http://www.e-mfp.eu) or email [contact@e-mfp.eu](mailto:contact@e-mfp.eu). Thank you!
SPECIAL REPORT

This vignette is part of a sponsored series demonstrating the value of SAM (the French acronym for African Microfinance Week), a major conference dedicated to financial inclusion in Africa. The next SAM will take place in Ouagadougou, Burkina Faso, from October 21-25, 2019. The first three SAMs were in Tanzania in 2013, Senegal in 2015 and Ethiopia in 2017.

The goal of SAM is to provide a unified platform for addressing issues facing microfinance in Africa by bringing together investors, microfinance institutions (MFIs), researchers, banks, networks, innovators, governments and other stakeholders.

The 2017 SAM hosted 700 participants from 58 (mostly African) countries, including representatives of 200 MFIs; 25 exhibitors at the Innovation Fair; and 26 investors, who made 170 MFI contacts at the Investor’s Fair. The proceedings also included conference sessions presented by 60 speakers plus 20 training programs.

BNP Paribas to Prep MFIs to Win Over Investors at SAM

BNP Paribas is celebrating the 30th anniversary of its microfinance activity this year. The bank’s contribution to the sector has evolved greatly over this time, as has the microfinance ecosystem itself. While the need for financial inclusion continues to be critical, BNP Paribas is proud of its track record of support for MFIs. After 30 years, the bank continues to finance more than 30 MFIs directly, with close to EUR 300 million (USD 340 million) deployed.

We are celebrating this landmark in several parts of the world, and it quickly became obvious that the SAM would be the best event to partner with in showcasing our activities in Africa.

During our long history, we often have been disappointed to watch MFIs that do solid field work fail to flourish because they either lack the capacity to advertise to the international funder community or fail to make a good impression during the introduction process. Thus, in addition to sponsoring this year’s SAM, BNP Paribas is joining forces with other investors to arrange a training session for top executives of financial services providers under the banner “Everything You Always Wanted to Know about Investors’ Needs (but Were Afraid to Ask).” This session has an open and interactive format to give representatives of all types of MFIs (especially smaller ones) the opportunity to learn more about the needs of investors and how to present their institutions to them. This includes an array of topics such as how to assess an MFI’s strengths and the importance of transparency, proactive communication, clear governance structures, financial and social performance, relationships with local regulators, involvement with local and regional networks, etc.

Each microfinance practitioner will be mentored by an investment officer or risk manager who has committed to represent the investor community at large with the goal of helping the financial inclusion sector as a whole to grow even stronger. We welcome all MFI practitioners participating in SAM to sign up for this great session. The event will be held in both French and English as part of Arendt’s “Ready for Investors?” day on Monday, October 21. In fact, that entire day is aimed at helping MFIs to get ready for SAM’s already famous Investors’ Fair!

“…we often have been disappointed to watch MFIs that do solid field work fail to flourish…”

ADA, an NGO based in Luxembourg, co-organizes SAM every two years with the support of Luxembourg’s Ministry for Development Cooperation and Humanitarian Affairs. The SAM steering committee members are: ADA, Luxembourg’s Ministry of Foreign and European Affairs, the Microfinance African Institutions Network, the African Rural and Agricultural Credit Association, and the Fédération des Association Professionelle des Systèmes Financiers Décentralisés de l’Union Economique et Monétaire Ouest Africaine. We invite you to learn more about SAM at http://www.sam.africa.

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PAPER WRAP-UPS

Charting the Customer Journey in the Digital Age


This report focuses on how financial institutions can “create effective digital customer journeys for underserved clients,” including “pre-purchase,” “onboarding” and “continuing use” stages. As examples, the report cites the work of organisations including FINCA Pakistan, an affiliate of US-based FINCA International; US-based EarnUp; US-based GreenPath; Indonesia-based Bank Tabungan Pensiunan Nasional; Poland-based mBank; Saudi Arabia’s Al Rajhi; the Mexican unit of Spain-based BBV A (Banco Bilbao Vizcaya Argentaria); the Indian unit of Singapore-based DBS (Development Bank of Singapore) Bank; and UAE-based Emirates NBD (National Bank of Dubai).

In the case of DBS Bank India, the institution partnered with Kasisto, a US-based...

Financial Inclusion Through Technology: Digital Pathways in Financial Inclusion


This report presents the work of the top 10 competitors for the 2018 European Microfinance Award, with the goal of illustrating ways financial service providers can leverage technology to improve their services for financially excluded clients. The authors identified the following “factors for success”: 1) the ability to innovate via partnerships; 2) tailoring technology to meet client...

Report on the FYXA Sri Lanka Proof of Concept

Published by FDC, March 2019, 10 pages, available at https://docs.wixstatic.com/ugd/309bf5_5ad5dbad284f10c4bc37e97f961a7f86.pdf

This report reviews potential users’ reactions to FYXA, a cloud-based platform offering digital financial services. Of the 290 people surveyed, 87 percent had informal savings. Of these savers, 75 percent stated they would like to manage their savings digitally. Of the 290 people, 80 ever had accessed a loan. Of this group, 80 percent believed that an app on a mobile device would be beneficial in terms of convenience and speed in managing...

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