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**ADB Loan to Catalyze $583m for Rural, MSMEs in Sri Lanka**
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**Insular, IFC to Promote Microinsurance Among Filipino Women**
Insular Life, an insurance company in the Philippines, recently partnered with the World Bank Group’s International Finance Corporation to form “InLife Sheroes,” a program providing Filipino women with skill training relating to “financial management, health, and well-being” as well as offering insurance programs with “specific coverage, bundling of products, and customized add-on services” intended to be of particular value to women. Sheroes is to include both protection from financial risk and investment products. Insular, which was launched in 1910, reports total assets equivalent to USD 2.6 billion. March 27, 2019

**I&P Raises $28m for IPAE 2 Fund to Invest in SMEs in Africa**
Investisseurs & Partenaires (I&P), a France-based investor in small and medium-sized enterprises (SMEs) in sub-Saharan Africa, recently raised the equivalent of USD 28 million for its I&P Afrique Entrepreneurs 2 (IPAE 2), bringing the fund’s volume to USD 85 million. The fund’s new investors include the Belgian Investment Company for Developing Countries, which is also known by its Dutch acronym BIO; Bpifrance, which was founded by the French government as the Banque Publique d’Investissement; Credit Cooperative, a France-based financial cooperative; the Dutch government’s Dutch Good Growth Fund; Mirova, a France-based impact investment manager; and the World Bank Group. The goal of the fund, which was launched in 2017, is to raise a total of about USD 96 million to invest in about 35 companies. As of 2019, the fund has invested in four firms, which operate in the food, health, human resources and technology sectors. To support IPAE 2’s investees, I&P has raised USD 3.4 million for technical assistance. I&P manages four funds with an aggregate volume of USD 142 million. March 16, 2019

**Sanad Loans Al Majmoua $5m for Enterprise, Housing in Lebanon**
Sanad Fund for MSME, a Luxembourg-based investor in lenders to micro-, small and medium enterprises (MSMEs), recently loaned USD 5 million to Al Majmoua, a nonprofit provider of loans and business development services to underserved groups in Lebanon. The funds are to be on-lent to low-income individuals for housing improvements and to very small enterprises for business needs. Al Majmoua was formed in 1994 by Save the Children, a UK-based NGO. The microlender reports total assets of USD 85 million, a gross loan portfolio of USD 72 million and 72,800 active borrowers served via 22 branches. March 5, 2019

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European Microfinance Award 2019: Resilience to Climate Change

MicroCapital: Why did you choose “Strengthening Resilience to Climate Change” as the theme of the 2019 European Microfinance Award?

Christoph Pausch: Climate change is the biggest issue we face as a society today. At the mitigation level, action is slowly (too slowly) being taken to reduce global emissions. However, a sensible response must include adaptation too. How do we live - and more importantly, help the most vulnerable to survive - in a world with a very different climate than we’ve been used to?

We have chosen “Strengthening Resilience to Climate Change” as the theme of the Award this year because resilience to the consequences of climate change is critical for the groups who will be most affected by these consequences. These groups are largely financially excluded, and they overwhelmingly live in places that will be most affected by worsening flooding, drought, storms, erosion or pests. Climate change also disproportionally affects those who make their livelihoods from agriculture, forestry, livestock husbandry and fishing.

While this is an immense challenge, we recognize the vital role that the financial inclusion sector can play because much of the resilience we’re promoting can be facilitated by financial services. Well-designed initiatives can facilitate risk-reducing measures that help mitigate the catastrophic consequences of shocks; they demonstrate preparedness for future economic shocks; and they offer ways to smooth consumption without taking on unsustainable levels of debt or selling productive assets. We’re excited to receive what we hope will be a broad range of innovative responses to these great challenges.

MC: Is the focus only on insurance, or is there also room for providers of other services, such as savings or non-financial services?

CP: While we can’t predict what initiatives financial institutions and their partners will submit, yes, the range of responses that can increase resilience goes beyond insurance. The microinsurance sector is continually developing new crop, livestock and disaster insurance products tailored for vulnerable segments. We also would be pleased to see initiatives that cleverly promote savings or loan products for long-term financial planning, such as investing in assets, managing expenses or dealing with emergencies. All of these can build resilience to climate change. Remittance services also can help vulnerable households and communities transfer funds to purchase critical supplies, meet continuing obligations or otherwise mitigate the effects of a disaster driven by climate change. Finally, we’re hoping to receive applications that include non-financial products and services that complement relevant financial products. This could include capacity building, standard setting or technology that helps clients understand and forecast weather events. This is not an exhaustive list by any means.

MC: How have you made it easier to apply for this year’s award?

CP: The Award process has changed quite a bit this year, in part based on feedback from a survey we conducted last year. First, there will be two application rounds. A shorter, initial round was launched on March 13 and closes on April 9. Successful first-round applicants will be invited to submit a more extensive application in May. From that pool, up to 10 applicants will become semi-finalists, with three finalists invited to European Microfinance Week in Luxembourg, where we will announce the winner on November 21. In addition to increasing the efficiency of the evaluation process, the easier first-round process will encourage more organisations to apply. We believe this will lead to a higher quality field of applicants.

Separately, we have loosened the eligibility criteria, in that organizations no longer have to provide the financial products or services directly. This year, an organization can apply if it is partnering with a financial services provider, as long as the primary applicant plays an integral and ongoing operational role in the project. We expect this will bring in a broader range of software providers, hardware manufacturers, NGOs and other stakeholders that are partnering on innovative initiatives but may not be banks, MFIs or insurance companies, etc. All of this information - and much more - can be found in the Explanatory Note that is published on the Award website in English, French and Spanish.

MC: In addition to the prize money, what kinds of benefits have previous award winners reaped from their participation?

CP: Anecdotally, we hear from previous winners that the exposure has opened new doors to funding, partnerships and collaboration. Each year at the Award ceremony, a visit to the previous winner yields interesting information on what has changed over the year - including, of course, how the organization used the prize money. In recognition of this being the tenth edition of the Award, e-MFP is publishing interviews throughout 2019 with each of the previous winners. These interviews will cover exactly that question: how winning the Award translated into impact in the field. So stay tuned to the e-MFP blog for the other interviews in this series!

Christoph Pausch serves as Executive Secretary of e-MFP. The €100k 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 first round of the European Microfinance Award are due April 9. To apply, please visit http://www.european-microfinance-award.com.

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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, during 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.

HPS Poised to Digitize Network of MFIs in Benin After Participation in SAM Innovation Fair, Successful Rollout to 3 Network Members

During the “Innovation Fair” of the most recent SAM, Mohamed Asri of Morocco-based payment solutions provider HPS spoke about his firm’s microfinance strategy, including its suite of PowerCARD tools. Mr Asri called SAM “a great opportunity for us to meet dozens of MFIs in Africa and present to them our activity and our products.” These meetings led to HPS signing a memorandum of understanding with Consortium Alafia, a network of 44 MFIs in Benin. To date, three Alafia members have tested PowerCARD Microfinance, which offers pay-as-you-go pricing to manage functions such as client transactions, internal finances, services provided via agents, Shariah-compliant products, field staff using mobile devices and third-party services such as insurance. An agreement to roll the service out to most of Alafia’s members is currently under negotiation.

In addition to speaking at SAM, Mr Asri managed a demonstration booth on the fourth day of the event. He explains, “We were able to design [the booth] according to our marketing needs. A large number of MFIs were able to contact us and learn more about the competitive advantages of our products.” He added that MFI leaders were most interested in how digitizing could help reduce operating costs and how flexible the products could be. Mr Asri also emphasized the potential for digital tools to improve the productivity of MFIs’ agents.

As a result of its involvement with SAM, HPS has joined the Microfinance African Institutions Network (MAIN), a member of the SAM steering committee, in order to maintain and expand its networking with SAM attendees. Mr Asri said, “I am so happy with my participation that I am renewing my partnership with SAM as a ‘Silver’ sponsor to maximize awareness of our work.” At the 2019 SAM in Ouagadougou, HPS is considering running an exhibit booth throughout all five days of SAM, rather than just on the day of the Innovation Fair. The firm also is looking into creating a “Fintech Village,” a larger space inside the Innovation Fair where HPS can feature all of its activities, products and innovations. For example, it will show off its HPS PAY solution by letting participants download the app to test its mobile payment tools. They will be able to use it to access bitcoin, which they then can spend on drinks provided by HPS. In summary, Mr Asri says, “In 2019, SAM will be key to my commercial strategy. In fact, I wish a future SAM will be organized very soon in Morocco.”

Established in 1995, HPS is a leading card and payment technology company with over 400 clients in 90 countries. The mission of HPS is to provide its clients with innovative technology solutions that transcend the entire payments value chain, enabling them to innovate rapidly and bring new products to market with ease and efficiency. The PowerCARD suite is fully integrated with all international payment networks, and it supports all major back-office payments functions.

“I am so happy with my participation that I am renewing my partnership with SAM as a ‘Silver’ sponsor to maximize awareness of our work.”

-Mohamed Asri, HPS
(pictured second from right)

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 Professionnelle 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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EAR TO THE GROUND

A Fintech Skeptic Responds by…Building a Fintech

Less than a year ago, a team from EA Consultants went to Mexico to perform assessments on two fintech models. During our research, a young, low-salaried worker at a paint company told me how he had begun saving money to get a university degree thanks to one of the fintechs’ employee savings solutions. This and other stories softened my skepticism of fintech.

Despite its promise, the reach of most Mexican fintechs remains small, often relying on customers seeking out their services online. Unfortunately, people don’t seem to spend much time browsing the internet for that hottest new app in financial management! These passive marketing strategies can be expensive - not because of the cost of digital marketing, which is cheap, but because they tend to generate snail-paced growth, causing firms to burn through their capital reserves. Based on our visit to Mexico, we became convinced that new approaches to distribution are required if low-income communities are going to experience the benefits of digital financial services en masse.

After six months of design, revision and pilot testing, I am excited to say that I am taking my own shot at the fintech distribution challenge. My business partner, Claudette Martinez, and I have set up a company called MeXCo Soluciones (which will operate separately from EA) to address two important aspects of exclusion: financial exclusion and labor-market exclusion.

We overcome financial exclusion by going door-to-door to promote the adoption and usage of digital financial services. Clients appreciate that we are “high touch,” but technology is also a key part of our business model. We identify high-value products, field test them and gather data to help third-party providers align them more closely with client needs. Once a product is fine-tuned, we provide digital on-boarding and post-sales support to build trust and confidence. We do this through a sales force of “nahuis,” a term for “aunts” in the indigenous language. Our nahuis build long-term client relationships so that products are not just used once, but used regularly.

By employing women over the age of 40 for this task, we are tackling another challenge, that of labor-market exclusion. In Mexico, discriminatory practices usually push out all but the most educated women from the labor market after a certain age. In contrast, we are teaching our “mature” nahuis to assess business viability, sell financial services and use digital solutions so fluently that they can, in turn, “teach digital.”

By tackling these two forms of exclusion, we believe we have a formula that can overcome several of the barriers to adoption and usage that have been identified in recent years. One of our saleswomen, Irma, who is 58 years old, explains to prospective clients, “I was afraid of technology also. My grandchildren had to teach me how to use Facebook. But I learned how to use this product, and it’s simple. If I can learn, you can learn too.” (You can see our mounis in action on our Instagram page.)

So far, we have piloted the process with two fintechs, and we are excited to be embarking on a new partnership with Banco Santander and ID Mission, the operator of the customer loyalty program SuperRED. Our model is bold yet pragmatic, it is both modern and traditional, it is data-centric and humanistic. Much like Mexico itself, its complexity and contrasts form the core of its identity. We look forward to engaging with you more as we grow!

About the Author: Ms Barbara Magnoni is President of EA Consultants, a development-consulting firm based in New York. She has 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, or you may follow her on Twitter at BarbaraE.A.
**Labour Pains: Discovering the Financial Lives of Zambian Mothers**


When customizing products for mothers, the authors suggest that providers focus on “cost, ease-of-use, accessibility, marketing and communication.” Many of the products available in Zambia that cater to mothers - and women in general - remain relatively unused due to a lack of promotion among these groups. To interest Zambian mothers in digital financial services (DFS), the authors propose hiring women to explain the products in simple terms to other women. These descriptions should include information on the benefits of DFS, such as increased security.

In addition to hiring women to act as ambassadors, DFS providers can utilize both digital and traditional social networks to promote their...*

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