Komaza Raises $28m in Equity for “Micro-forestry” in Africa
Request a sample of the subscriber edition to read about this MicroCapital Deal of the Month!

$10m Bond Issue by Symbiotics to Benefit SMEs in Peru via Abaco
Symbiotics, a Switzerland-based investment company, recently launched a “social” bond to raise USD 10.2 million to benefit Peruvian Cooperative de Ahorro y Crédito Abaco. The bond is part of the Sustainability, Social and Green Bond Framework of Symbiotics’ entity Micro, Small & Medium Enterprises Bonds SA. The proceeds will flow to Abaco in the form of an unsecured, senior, local-currency loan with a term of four years. Abaco plans to use the proceeds “to finance small and medium-sized enterprises within the trade, services and agriculture sectors, in particular the food industry, commercial stores and farms.” Abaco was founded in 1981 and serves 20,000 members at three branches in the city of Lima as of 2020. Its products include youth savings accounts; payment cards; and loans for enterprise, education, homes and vehicles. Abaco also provides services such as governance support for other cooperatives. It reports total assets equivalent to USD 450 million. August 5, 2020

Bangladesh Bank Reports Record $2.6b in Monthly Remittances
The Bangladesh Bank, the central bank of that country, recently reported that Bangladeshis living abroad sent home USD 2.59 billion during the month of July. This was an increase of USD 760 million over June 2020 and USD 1 billion higher than July 2019. Although some observers expected a fall in remittances due to the COVID-19 pandemic, others cite the following factors as contributing to the increase: requests for aid from family experiencing unemployment and other economic shocks associated with the pandemic; the celebration of the Islamic holiday Eid-ul-Adha, which occurred in July this year (but in August during 2019); and the introduction of a 2-percent cash incentive from the Bangladeshi government for migrants to switch from using informal to formal remittance channels. Ahsan H Mansur, Executive Director of the Policy Research Institute of Bangladesh, also argued that migrants may be sending more money in preparation for returning home “due to joblessness abroad.” August 5, 2020

Smart Campaign Closing; SPTF, CERISE to Boost Client Protection
The Smart Campaign, an initiative of the US-based Accion’s Center for Financial Inclusion, recently announced that it would wind down following 10 years of activity. Two nonprofit partners of the initiative, the US-based Social Performance Task Force (SPTF) and France-based Comité d’Echange, de Réflexion et sur les Systèmes d’Epargne-Crédit (CERISE), have agreed to continue the evolution of the Smart Campaign Client Protection Standards, thereby “ensuring that [this tool] continues to be the ‘do no harm’ foundation of social performance management.” While SPTF and CERISE will not accredit the client-protection practices of financial services providers, they will…*

*To access more of these top stories, please email info[at]microcapital.org to request a sample of the subscriber edition of this newspaper!
**MICROCAPITAL BRIEFS**

**SEAF Invests in CloudCfo, Service Provider to Philippine SMEs**
The US-based Small Enterprise Assistance Fund (SEAF) recently placed an equity investment of undisclosed size in CloudCfo of the Philippines, which plans to use the cash to fund growth across the online accounting, bookkeeping and financial reporting services it provides to small and medium-sized enterprises. SEAF Managing Director Jennifer Buckley stated, “We are impressed by the strong expansion of [CloudCfo’s] customer base, particularly among women entrepreneurs, while exhibiting solid retention metrics.” SEAF focuses on “providing small and medium-sized enterprises in emerging markets with the capital, knowledge, and resources necessary to grow their business and impact their local communities.” The group has offices in 33 countries and a track record of managing 38 funds. August 28. 2020

**Maha Agriculture Borrows $6m for E-microfinance in Myanmar**
The Netherlands Development Finance Company, which also is known by its Dutch acronym FMO, recently disbursed a loan of USD 6 million to Myanmar-based microfinance institution Maha Agriculture to be on-lent as microloans in rural areas. The goal of the wholesale loan is to support small-scale farmers impacted by the COVID-19 pandemic, particularly to alleviate market illiquidity and food insecurity. Maha, which is a subsidiary of Yangon-based agricultural input manufacturer Myannya Awba Group (Awba), focuses on digital agri-lending products. Awba created Maha in 2013 to provide loans to farmers as well as retailers of goods such as fertilizer and seeds. Maha operates 32 branches across eight regions of Myanmar, serving 40,000 clients, 93 percent of whom are farmers. Awba, which was established in 1995, provides products and services such as seeds, crop insurance and nutrition education to 3.5 million farmers. August 27. 2020

**DMA to Connect Farmers in Tanzania with Inputs, Buyers**
Through a performance-based contract, the UN Capital Development Fund (UNCDF) is backing Tanzania-based Digital Mobile Africa (DMA) to offer farmers in the Kigoma region of Tanzania online access to agricultural input retailers, crop buyers and financial services providers. DMA’s online portal is integrated with multiple mobile network operators and offers financial services under the license of the Tanzanian Postal Bank. These financial services include payments, credit, savings, remittances and insurance. In addition to funding, UNCDF provides DMA with technical assistance and connections to stakeholders in the financial services and farming sectors. DMA has enrolled 6,700 farmers in the region since 2019 and seeks to reach a total of 8,000 by June 2021. Established in 2018, DMA is an “agri-fintech” that serves 872,000 smallholder farmers as well as micro-, small and medium-sized agribusinesses in Tanzania and Rwanda with offerings such as data management, marketplace connections and digital financial services. August 26. 2020

**As Bank of Ghana Intervenes, Concerns of MFI Failure, Profiteering**
To cushion the effects of the COVID-19 pandemic, many microfinance institutions (MFIs) in Ghana have granted their borrowers repayment moratoria of up to 6 months. Meanwhile, local researcher Samuel Darko cited a report from the Bank of Ghana, the central bank of the country, stating that a “liquidity stress-test conducted for the sub-sector shows minimal survival rate for most MFIs.” In an effort to assist lenders, the Bank of Ghana has: (1) provided cash to some institutions, including via the apex bank for rural and community banks; (2) extended until the end of 2021 the date by which MFIs must meet previously announced increases in capital reserves; (3) reduced primary reserve ratios by 2 percentage points; and (4) reclassified loan repayments that are overdue by 1 to 30 days as “current.” However, Mr Darko warns, “These interventions…must meticulously be appropriated by the MFIs for intended purpose of survival (liquidity) only, rather than using same for presumptuous profiteering enterprises, which [would] jeopardize the sub-sector.” August 12. 2020

**DFC Announces Partnerships, $6b Goal to Support Women**
The US International Development Finance Corporation, a government-backed institution, recently announced it will participate in the following initiatives: (1) increasing the target of funds to be mobilized through the 2X Women’s Initiative of the Women’s Global Development and Prosperity Initiative to USD 6 billion; (2) lending USD 92 million with “additional financing from a Citibank loan-term loan” to Banco del País of Honduras to “nearly double maximum loan tenors for” its small and medium-sized enterprise clients, especially those led by women; (3) collaborating with US-based technology firm Microsoft to develop “information and communications technology infrastructure” intended to bridge the “digital divide” by serving entities such as educational institutions; and (4) arranging sessions for entrepreneurs and investment officers to collaborate on gender-focused investment strategies, funded by the government of Taiwan. August 10. 2020

**TradeCore Platform Facilitates Launching of New Fintechs**
TradeCore, a financial technology (fintech) firm that assists digital financial services providers (FSPs) in navigating regulation, licensing and payment systems, recently established a platform to expedite the launching of new FSPs. The platform offers services relating to legal matters, digital banking, cryptocurrency, investment, know-your-customer protocols, and issuing digital and physical Mastercard-branded payment cards. TradeCore CEO Stefan Pajkovic argues, “For too long fintechs have faced too many barriers to market in the form of regulation, compliance or costly processes to reach the market. This has stifled innovation, cost far too much…”

*To access more briefs, please email info[at]microcapital.org to request a sample of the subscriber edition of this newspaper!*  

---

**MICROFIN**

**Operational Planning for MFIs**

**WEB COURSES:**
- September 14-18 in SPANISH
- September 28 - October 2
- October 26-30
- December 14-18

**IN-PERSON COURSES (SUBJECT TO CONFIRMATION):**
- October 19-23 — Mexico City
- November 16-20 — Bangkok
- Dates TBA: Lagos, Toronto

Request online training anytime via: microfin@mfiresources.org

© 2020 MicroCapital

---

*This is a free, abbreviated preview of a monthly report available by paid subscription at MicroCapital.org*
EMW goes online for 2020!

Now more than ever it’s vital to gather together the inclusive finance world to find solutions to our most pressing issues.

So let us gather responsibly and go online. More information soon at www.e-mfp.eu

DIPLOMA IN FINANCIAL INCLUSION

Take a step beyond the certified expert?

This is a free, abbreviated preview of a monthly report available by paid subscription at MicroCapital.org
SPECIAL REPORT

This feature is sponsored by the Development Finance e-Campus of the Frankfurt School of Finance and Management.

Frankfurt School Development Finance e-Campus: A Decade of Online Education

When we were getting ready to launch our first online course, I was full of hope and optimism. But I must admit, I was rather disappointed after the launch - I had expected the initial enrollment to be higher. This was when we realised that we needed to prove that online education is just as effective as traditional classroom learning - and that it even comes with its own unique advantages.

Ten years ago, the e-Campus consisted of just one course, Certified Expert in Microfinance. A decade later, that course has become an industry standard, and our portfolio spans 13 Certified Expert courses covering the fields of inclusive and green finance, contributing to 14 of the UN Sustainable Development Goals. We also have added a full-fledged online Master Programme on Sustainable Finance as well as two Diplomas in Financial Inclusion and Green Finance, respectively. With over 8,000 alumni now covering even the most remote corners of the globe, we must have gotten something right over the past 10 years!

The Secret to Success

The secret of e-Campus’ success is the best kept one in all of Frankfurt School! But I’d like to share some of the aspects that I believe have contributed the most to our success over the last decade.

We stay true to our mission. Education is central to development, both in the sense of personal development and the wider context of community development. We have always focused our attention on underserved areas whose access to quality education is limited.

Frankfurt School’s experience in development finance and digital education has enabled us to develop high-quality course content and structures, delivering both academic and practical insights tailored to students’ needs. This has helped greatly in maintaining students’ motivation and explains our very low dropout rate - a rarity in online education.

Our dedicated team of advisors accompanies participants through every step of their journey, offering advice and support - participants never find themselves on their own while pursuing coursework at Frankfurt School.

The trust, loyalty and feedback of our participants has motivated the whole team continually. By listening to the feedback of participants, both complimentary and constructive, we have been able to mold and develop our course structure and content over time to truly meet the educational needs of our participants.

A Decade of Challenges

Of course, the past decade has not passed without challenges. We work hard to encourage students to enroll by meticulously explaining the benefits of online education, overcoming the technical challenges that come with delivering digital education worldwide and maintaining the integrity of the qualifications we provide.

I would be remiss if I did not mention the COVID-19 pandemic, which has served us with its own unique challenges. Until the start of 2020, the final examinations for our online courses were hosted in-person at our partner centers all across the world. However, after a successful trial period, our final exams now are hosted online, affording participants a fully online experience. Our sophisticated software system maintains the integrity of examinations through several layers of security measures.

The Next 10 Years

I am confident that the Development Finance e-Campus will continue on its growth path of the previous 10 years. However, the external environment in our day and age remains largely unpredictable, so it is difficult to say what might arise and how the unexpected could impact the e-Campus over the next decade.

So far, we have learned the importance of adapting quickly - not only in terms of technical improvements, but also to cope with external challenges to meet the needs of our participants. We are constantly working to improve our procedures and add new topics to our portfolio to cover new demand while ensuring high-quality standards. However, one sure thing is that we will continue to stick to our core values and provide education to those underserved areas that need it the most! As part of this work it is our goal to expand our portfolio to address the remaining UN Sustainable Development Goals that our courses currently do not cover.

Junes Afnaoui is the Programme Director of the Frankfurt School Development Finance e-Campus (FSDF e-Campus). Junes is celebrating his 10-year anniversary with Frankfurt School of Finance and Management, having worked with the e-Campus since its conception in 2010. He is passionate about delivering high-quality education especially to those with limited access to such resources.
EAR TO THE GROUND

Resilience Is Temporary: Let’s Not Leave People on Their Own

Having not left the US for the past six months (an extreme rarity for someone in my line of work!) due to the pandemic, I find myself exploring parallels and contrasts between what I observe here and what is happening abroad. In the US, we have had toilet paper and sanitizer hoarding, crowded emergency departments with staff forced to reuse protective equipment, and middle-class Americans brandishing military-grade weapons as protesters for racial justice pass their homes. These are jarring manifestations of the “We Are on Our Own” attitude that many people have taken. The economic, political and social structures in the US - as in many developing countries - have been at best inefficient and often incapable of meeting the needs of financially vulnerable people. In this time of crisis, people’s resilience largely has been limited by whatever tools they already had in hand.

This lack of safety nets is one of the reasons that microfinance continues to be a relevant - if not essential - service after decades of being the only game in town in many poor communities. It is also one of the reasons our industry has worked to promote savings by simplifying bank account access (through tiered-KYC accounts) and promoting financial health initiatives. These efforts can feel futile, considering how hard it is for poor households to save - and how easy it is to borrow. Yet the pandemic has revealed that savings are an essential tool for the initial management of crises. This is largely because governments have struggled to get cash out quickly and to the right people, even when there are digital options.

At a recent webinar hosted by Sistema Económico Latinoamericano y del Caribe, Manuel Orozco explained that Latino migrants in the US have shown a moderate level of resilience to the pandemic, in particular, Mr Orozco posits, because they entered it with more savings than they did the financial crisis of 2008-2009. This is somewhat ironic since it has become more difficult for undocumented migrants to open bank accounts since then. Despite lockdowns in the US, where most Mexican migrants live and work, remittances increased 35 percent in March YOY as migrants took advantage of the favorable exchange rate to send more money home. Back in Mexico, according to a recent study by BFA Global, 66 percent of Mexican households began preparing for the crisis by storing provisions that same month, and 70 percent did so with savings, presumably using mostly their own cash, as many do not receive remittances. In Ecuador, a study of the clients of Fundación Espoir reveals that 34 percent have been using savings to cover their expenses. (For women and men, the rates were 36 percent and 29 percent, respectively.)

I am encouraged that some households had savings to tackle the early stage of the pandemic, but BFA notes that today only 45 percent of survey respondents in Mexico have money saved for emergencies - meaning many have depleted their reserves. In Kenya, BFA also finds savings to be minimal, and most of those surveyed owe money to digital lenders. These anecdotes lead me to a few reflections. First, savings are a critical tool for managing crises, and it doesn’t have to be formal or digital. In fact, where mobile money is prevalent, balances have been coopted into debt traps, leaving folks even less resilient. We all know the risks of saving money “under the mattress,” but no one will secure a loan with that money, and it can’t be taken away from you to cover loan payments. This leads to my second thought: savings are a first line of defense, but they eventually run out. People lucky enough to be able to save likely just are buying time in the hope that their governments will get their response plans into action and prove that, in fact, we are not on our own.

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 0461 or bmagnoni[at]eac-global.com, or you may follow her on Twitter at BarbaraatEA.
PAPER WRAP-UPS

Gendered Social Norms in Financial Inclusion: A Diagnostic Study from Southeastern Turkey

By Adriano Scarampi, Dina AlBashar and Deena Burjorjee; published by CGAP (Consultative Group to Assist the Poor); July 2020; 48 pages; available at https://www.findevgateway.org/sites/default/files/users/user331/CGAP_GenderNorms_Final-Web.pdf

Through interviews with 93 members of southeastern Turkey’s Arab population, the authors identified community norms that impact financial inclusion, such as the idea that women do not need to save because men should act as providers and the perception that it is “less acceptable” for women than men to use financial products that are not compliant with sharia, Islamic law. Potential avenues for intervention include: (1) executing “targeted messaging and awareness” efforts to demonstrate inconsistencies in perceptions of norms, such as when women follow a norm because they think others, such as their husbands and extended family members, have stronger feelings about…*

Fintech, Digital Finance and Funding: How the Development Sector Is Channeling Money to Digital Financial Services


In this study, Mr Miller found that: (1) development funders had USD 1.95 billion invested in digital financial services as of year-end 2018; (2) there is a positive correlation between…*

Women’s Access to Cash Transfers in Light of COVID-19


This paper analyzes the efficacy of various cash-transfer programs created by the Pakistani government in reaching low-income women. Under the Ehsaas Emergency Cash Program, which is intended to counter the effects of…*

*To access the rest of these paper wrap-ups, please email info[at]microcapital.org to request a sample of the subscriber edition of this newspaper!