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**Ghana’s Zeepay Buys Controlling Stake in Zambia’s Mangwee Mobile Money**

Request a sample of the subscriber edition to read about this MicroCapital Deal of the Month!

**BankIslami, TPL Life Offering COVID-19 Insurance in Pakistan**

BankIslami, an institution offering Shariah-compliant financial services in Pakistan, recently partnered with TPL Life, a digital insurance technology firm controlled by Pakistan’s Habib Bank Limited (HBL), to offer coverage for people in case they become ill with COVID-19. The package pays up to: (1) the equivalent of USD 195 upon diagnosis; (2) an unspecified level of funding for hospitalization; and (3) funeral expenses up to USD 650. The insurance is in the form of *takaful*, through which coverage is based on the amount of funds paid in by other participants, in a manner allowable under Islamic law. BankIslami operates 340 branches in 114 cities. It reports total assets of USD 2.2 billion, annual return on assets of 0.55 percent and annual return on equity of 11 percent. HBL serves 30 million customers in 15 countries. April 28, 2021

**Grab Training People with Disabilities as Agents in Indonesia**

Grab, a Singapore-based technology company, recently partnered with Indonesia’s Communications and Information Ministry and the Indonesian Inclusive Connections Community, an NGO also known as Konekin, to found a program to train disabled people to work as agents for Grab’s GrabKios service, whose offerings include remittances and mobile phone credit. Grab also began working with Indonesia-based PFI Mega Life Insurance to offer two insurance products. Hospital Cash Cover pays up to the equivalent of USD 17 per day of hospitalization. Community Cover pays USD 6,800 upon the policyholder being diagnosed with any of 36 illnesses, and it also has a cash-back component. Founded in 2012, Grab is a ride-hailing, delivery and financial services firm serving 187 million users in eight Southeast Asian countries. Grab recently announced it is going public through a merger with US-based Altimeter Capital. Based on the terms of the merger, Grab is expected to be valued at USD 40 billion. PFI Mega Life is a subsidiary of US-based Prudential Financial Incorporated. April 24, 2021

**Joint Impact Indicators to Streamline Impact Measurement**

A group of large investors recently agreed to support the Joint Impact Indicators (JIIs), a framework for increasing “harmonization in the way that impact investors measure and report on the effects of their investments.” The indicators, which were developed by the US-based nonprofit Global Impact Investing Network (GIIN) and the World Bank Group’s International Finance Corporation, focus on gender, jobs and climate. They build on the Harmonized Indicators for Private Sector Operations (HIPSO) and the Impact Reporting and Investment Standards Plus (IRIS+) Catalogue of Metrics, two sets of indicators that require investees to report similar…

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**INSIDE**

<table>
<thead>
<tr>
<th>INSIDE</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>MicroCapital Briefs</td>
<td>*</td>
</tr>
<tr>
<td>News on MSMEs, fintech, green finance…</td>
<td></td>
</tr>
<tr>
<td>News from Africa</td>
<td>2</td>
</tr>
<tr>
<td>Sponsored by Frankfurt School</td>
<td></td>
</tr>
<tr>
<td>Ear to the Ground</td>
<td>3</td>
</tr>
<tr>
<td>The “New Normal”</td>
<td></td>
</tr>
<tr>
<td>Upcoming Events</td>
<td>*</td>
</tr>
<tr>
<td>Key industry conferences</td>
<td></td>
</tr>
<tr>
<td>Paper Wrap-ups</td>
<td>5*</td>
</tr>
<tr>
<td>Research and tools</td>
<td></td>
</tr>
<tr>
<td>Subscribe to the Monitor</td>
<td>5</td>
</tr>
</tbody>
</table>

**Coming Soon:**

Details on European Microfinance Week, which opens on November 17

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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 many of our colleagues are not able to do so. We wish you and your loved ones good health and resilience during this time.

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NEWS FROM AFRICA

SaltPay Acquires Paymentology, Tutuka to Boost Cloud Payments

SaltPay, a UK-based payment technology firm serving small and medium-sized enterprises in Europe, recently struck deals to acquire: (1) South Africa’s International Tutuka Holdings, a servicer of payment cards; and (2) Paymentology, a UK-based cloud payments firm active in Europe, Africa and Asia. Cloud payments refer to those completed via internet connectivity rather than telephone or other connections. Launched in 2015, Paymentology assists 15 banks and financial technology firms with their processing of cloud payments. As of 2019, the most recent year for which data are available, Paymentology reported total assets equivalent to USD 1.4 million. Tutuka supports remittance providers, mobile-wallet service providers and digital banks in 33 countries in their issuing of Mastercard, UnionPay and Visa cards. While details of the Paymentology acquisition have not been released, SaltPay will acquire 65 percent of Tutuka shares from the UK-based private equity firm Apis Partners in return for an unspecified stake in SaltPay. April 23, 2021

Mastercard Buying 3.8% of Airtel Money for $100m

Mastercard, a US-based financial services company, recently agreed to pay USD 100 million for a 3.75-percent equity stake in Airtel Money, which is controlled by India-based Bharti Airtel. Mastercard and Airtel Money plan to deepen their ongoing partnership in the areas of “card issuance, payment gateway, payment processing, merchant acceptance and remittance solutions.” Airtel Money offers financial services in Africa and Asia, including deposits and withdrawals from mobile wallets; merchant and commercial payments; and virtual credit cards. Bharti Airtel serves 423 million customers in 18 countries. With operations in 210 countries and territories, Mastercard reported net income of USD 1.5 billion on total assets of USD 32 billion during the quarter ending October 2020. April 21, 2021

Amen Bank of Tunisia Borrows $17m from Sanad for MSME

Tunisia’s Amen Bank recently accepted a senior loan in euros equivalent to USD 17 million from the Luxembourg-domiciled Sanad Fund for MSME. Via its 160 branches, Amen Bank is on- lend the funds to provide liquidity for micro-, small and medium-sized enterprises (MSMEs) as they adjust to the COVID-19 pandemic. Sanad Board Chair Dr Daniela Beckmann said, “from the moment of the pandemic hit, Amen Bank pivoted quickly to maintain contact with its clients through digital means and created new financial products specifically tailored to meet the needs of crisis-affected MSMEs.” Amen Bank was founded in 1967 by the Amen Group, which owns 61 percent of the bank’s shares. Amen Bank reports total assets of USD 3.2 billion, deposits of USD 2.1 billion, annual return on assets of 1.6 percent and annual return on equity of 14 percent. Sanad, whose name means “support” in Arabic, enjoys a mix of public and private funding, enabling an outstanding debt portfolio of USD 232 million. April 16, 2021

Fintech Appzone of Nigeria Raises $10m in Equity

Appzone, a Nigeria-based financial technology firm, recently raised USD 10 million in its Series A round of funding, which was led by Nigeria-based private equity investor CardinalStone. The other participating investors were US-based Lateral Investment Partners and three Nigeria-based firms: Constant Capital; V8 Capital; and Iñana Capital Ventures, which is led by the Nigeria-based Honeywell Group. Appzone plans to use the fresh funding to boost its “core technologies [to] build out a financial operating system intended to completely digitize and automate the delivery of financial services” in seven countries in Africa. The sizes of the stakes taken by each investor remain confidential. Founded in 2008, Appzone offers financial tools, including a lending platform and cloud software to help banks and individuals perform digital transactions. The firm reports a one-year transaction value of USD 2 billion, including loan disbursements of USD 300 million. Appzone CEO and co-founder Obi Emotarom expressed the importance of “welcoming on board some strategic investors whose support will be key to our growth journey...to scale Appzone’s products and services rapidly...through solutions built for Africa by Africans.” April 16, 2021

Ghana’s Zeepay Buys Control of Zambia’s Mangwee Mobile Money

Ghana-based financial technology company Zeepay recently bought a 51-percent stake in Zambia-based digital wallet and remittance platform Mangwee Mobile Money for an undisclosed price. Zeepay Managing Director Andrew Takyi-Appiah noted, “The acquisition... will give Zeepay access to Mozambique, Malawi, Angola and Namibia among others in our effort to capture Africa’s USD 70 billion remittance market....” Mangwee, which was launched in 2018 targeting university students, has since come to focus on serving rural areas. Financial data on the firm have not been made public. Founded in 2014, Zeepay offers microinsurance as well as domestic and international remittances via digital wallets in 23 countries in Africa. With a focus on per-transaction fees rather than maintenance fees, the firm facilitated 2.4 million transfers totaling USD 400 million during 2020. April 16, 2021

Pngme, Data Processor for Lenders in Africa, Raises $3m

Pngme, a US-based financial data firm focused on African markets, recently closed its seed fundraising round at a volume of USD 3 million. Pngme offers an application program interface (API) that allows financial institutions to access and analyze large sets of “mobile money transactions, bank transactions, loan data [and] behavioural data” for making credit decisions. The API is available on a tiered subscription service, the lowest of which is free of charge. The lead investors in the round are EchoVC, Lateral Capital, Radical Ventures and Raptor Group. The other participating investors are Japan’s Kepple Africa Ventures, US-based Rally Cap Ventures, Canada’s Two Small Fish Ventures and William Tustin-Pedoe of the UK. Pngme raised USD 500,000 in a pre-seed round in 2019. April 6, 2021

This selection of news on Africa appears compliments of:

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Who Takes Part in the “New Normal”? 

Here in the US, where many of us have been lucky enough to be vaccinated against COVID-19, there has been a lot of talk about a “new normal.” More flexibility in work schedules and workplaces might be part of that. More frequent use of digital channels may be too. However, there is already talk that some people may be excluded from this new normal. Essential workers, mothers with children at home and those in the informal sector are likely outliers, at least for now. These are exactly the people who we are looking to serve. 

Digitization is moving quickly. According to GSMA, a global association of mobile operators, it took the industry close to a decade to notch its first 100 million monthly active mobile phone accounts. The pace has accelerated during the pandemic, with another 100 million people opening accounts between September 2018 and December 2020. Despite this great momentum, I continue to be somewhat skeptical.

Fintechs, which promise to be inclusive through agile systems and low barriers to entry, are nonetheless failing to reach enough of the poor. So far, few products are tailored to low-income customers. Our company in Mexico, Noahui Soluciones, struggles to find fintechs that offer mobile solutions to unregistered businesses. This is particularly challenging now, as tax offices have closed branches and limited hours due to COVID-19, delaying new registrations. Additionally, lower profits are discouraging small businesses from making ambitious growth plans, reducing their incentive to formalize.

Meanwhile, fintech product processes are still complex. One secured credit card provider we work with asks customers to deposit funds within 60 days of being approved. Until the customer makes this deposit, the account remains inactive. Most clients put off making payments, then forget they even applied, resulting in their accounts being closed.

These are just a few examples of why the adoption of fintech by women may be slow. Many of the fintechs we work with complain that women hover at only around 20 percent of their customer base. But women are less likely to have formal businesses. They are often tentative in their relationships with technology and can get discouraged easily by burdensome processes.

In addition to fintechs, microfinance institutions (MFIs), cooperatives and savings groups can be important to digitizing women’s financial services. They already serve women, have their trust and maintain communication channels for explaining services to them. Some of these MFIs are claiming victory over the COVID-19 pandemic. They have adjusted their processes, including by using digital outreach as a main sales strategy. While a lot has been accomplished in the past nine months to move microfinance services to digital platforms, the sector’s efforts are still underwhelming. For example, some MFIs are experiencing a slow recovery in loan disbursements, with only their “top-tier” clients - who tend to be more tech-savvy - accessing new loans. The jury is still out on whether MFIs can convince the most vulnerable customer segments - including women - to switch to digital services. But if MFIs can’t pull this off, who will ensure that women and other vulnerable groups maintain - and hopefully increase - their access to financial services as the world shifts toward a new, digitized normal?

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, or you may follow her on Twitter at BarbaraatEA.
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Among the challenges some savings groups have helped to “mitigate the pandemic’s negative consequences.” Their findings include:

(1) “Households with a female member in a savings group in Nigeria and Uganda have coped with the crisis better than those not in savings groups.” Households in Nigeria that have a female savings group member, for example, were more likely to have money saved and less likely to have suffered food insecurity.

(2) “Women’s savings groups have shown the potential for resilience during the pandemic.” Despite pandemic lockdowns, many savings groups continued to function by adopting virtual meetings and mobile money. They also “made and distributed personal protective equipment, built handwashing stations and created community action plans to prevent the spread of COVID-19.”

(3) “Savings groups contributed to community response and provided women a platform for leadership.” The groups served as networks for spreading awareness about the pandemic and addressing community issues that became more urgent while people were confined to their homes, such as “child marriage, child labor, the importance of sustaining girls education, and violence against women and children.”

Among the challenges some savings groups experienced were depletion of savings and...

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**PAPER WRAP-UPS**

Evidence Review of Women’s Groups and COVID-19: Impacts, Challenges and Policy Implications for Savings Groups in Africa


With a focus on Nigeria and Uganda, the authors discuss how women’s savings groups have helped to “mitigate the pandemic’s negative consequences.” Their findings include:

(1) “Households with a female member in a savings group in Nigeria and Uganda have coped with the crisis better than those not in savings groups.” Households in Nigeria that have a female savings group member, for example, were more likely to have money saved and less likely to have suffered food insecurity.

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**Deploying Blended Finance to Mobilize Investment at Scale in Food and Agriculture**

By Bettina Prato, Chris Chubb, and Regina Rossmann; published by the Smallholder and Agri-SME Finance and Investment Network (SAFIN) and Convergence; March 2021; 32 pages; available at [https://www.convergencefinance/resource/5ecd4fe4-53ca-4b56-a3ca-5510e8fb8df5/view](https://www.convergencefinance/resource/5ecd4fe4-53ca-4b56-a3ca-5510e8fb8df5/view).

The authors of this paper discuss the “financing landscape” of the food and agriculture sector and argue in favor of increasing the deployment of blended finance, “the use of catalytic capital from public or philanthropic sources to increase private sector investment.” Funding to the sector is driven primarily by private sources, but the sector’s capacity to attract sufficient financing remains limited by price volatility as well as environmental, climate and political risks. The authors cite a database of blended finance transactions indicating that:

(1) 15 percent of blended finance transactions worldwide are deployed in the agriculture sector; and

(2) blended finance transactions for agriculture tend to be smaller in size than do those in other sectors.

One example the authors cite is IDH FarmFit, a mechanism for de-risking blended funding packages. IDH FarmFit takes high-risk...

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**Financial Literacy Education: Implication on the Economic and Social Life of the Teacher in Ghana**


The authors of this paper investigated “how consumers acquire knowledge of financial numeracy and how it’s applied, especially to their economic and social lives.” Based on data from 118 teachers in Ghana’s Upper East Region, the authors found that many of the participants “barely have any money on them or in their bank accounts” due to “budgeting issues resulting from less exposure to financial education.” An inability to plan for emergencies can affect other aspects of a teacher’s life, negatively affecting work performance and thus the ability of students to learn. Lack of financial stability also led to instances of job loss as well as divorce. Furthermore, poor financial literacy is correlated with increased substance use, which exacerbates other problems.

To mitigate these challenges, the authors...

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