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**POSRocket Raises $5m to Expand Tech for Small Firms in MENA**

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**El Salvador Rolling Out App, ATMs, Kiosks for New Official Currency Bitcoin**

President Nayib Bukele of El Salvador recently announced that his country is setting up 200 automated teller machines (ATMs) and 50 staffed kiosks to facilitate exchanges of the cryptocurrency bitcoin into US dollars for withdrawal as cash. All transactions will be conducted through the government’s new app, Chivo, with no transaction fees. The announcement comes as El Salvador is adopting bitcoin as legal tender as of September 7.

Among the motivations for encouraging the use of bitcoin is to reduce the cost of remittances sent to individuals in El Salvador from other countries. August 30, 2021

**SoftBank Leads $400m Equity Round for Fintech OPay of Nigeria**

Through its SoftBank Vision Fund 2, the Japanese conglomerate SoftBank recently led an investment package totaling USD 400 million in the Nigeria-based financial technology (fintech) firm OPay, a mobile payment platform. The funding round values OPay at USD 2 billion. Additional investors in this round include DragonBall Capital, Redpoint China, Sequoia Capital China, SoftBank Ventures Asia, Source Code Capital and 3W Capital. The levels of participation by each investor have not been disclosed. SoftBank Managing Director Kentaro Matsui stated, “We believe our investment will help the company... replicate its successful business model in Egypt and other countries in the region.” OPay was created in 2018 when the internet services firm Opera acquired Pay-Com from the “digital transformation company” Telnet Nigeria. Opera was founded in Norway and bought by a Chinese consortium in 2016. It is listed on the US-based NASDAQ stock exchange and reported net income of USD 28 million for the third quarter of 2019. August 27, 2021

**Former Director of Nigeria’s Workman MFB Jailed for 5 Years**

Sarita Aliyu Bello, the former Managing Director of Nigeria’s Workman Microfinance Bank, recently was sentenced to five years in prison after pleading guilty to charges issued by the country’s Economic and Financial Crimes Commission. In 2020, Ms Bello used a colleague’s access codes to generate and approve fraudulent loan requests resulting in disbursements to herself. In addition to serving the prison sentence, Ms Bello was ordered to repay the equivalent of USD...

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A new report from the Human Resources Action Group of e-MFP

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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 not all of our colleagues are 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

Forest Capital Acquires Kayvee MFB of Nigeria to Boost Agritech
Forest Capital, a unit of Nigeria-based Farmforte Limited, recently acquired Nigeria’s Kayvee Microfinance Bank for an undisclosed price. Among Farmforte’s services is facilitating access to local and global markets to help smallholder farmers earn higher and more stable incomes. Farmforte Co-CEO Osazuwa Osayi reportedly said, “Our multi-pronged enterprise growth strategy is ever-relevant on the financial and technological advancement of our growing 112,000 smallholder farmer network... [via] disruptive banking services, and wider sector focus on mobile-first, personalized banking....” Kayvee is a digital institution that provides loans and savings services to 37,000 individuals and small businesses. Its loans range in size from USD 12 to USD 9,700. August 25, 2021

Consortium Connects SMEs with Legal Entity Identifiers in Africa
Four organizations recently launched an effort to equip medium-sized enterprises (SMEs) in Africa with Legal Entity Identifiers (LEIs), 20-digit codes linked to “business card and ownership structure information... which can be verified quickly and efficiently...” The participating entities are the South African nonprofit Center for Financial Regulation and Inclusion (Cenfri), US-based Cornerstone Advisory, Switzerland’s Global Legal Entity Identifier Foundation; and the UK-based London Stock Exchange Group. The London Stock Exchange is issuing the LEIs via validation agents, the first of which is NMB Bank Limited of Zimbabwe. Barry Cooper, the technical director at Cenfri, argued, “The high costs of institutional due diligence and information asymmetries [are] a core element of the exclusion of small and medium enterprises, from regional and international markets. A robust global enterprise identity opens up an under-represented large base of SMEs and women-owned businesses to trade across Africa as well as across the global markets.” August 23, 2021

IFC, FMO Loaning $50m to I&M Bank for SMEs in Kenya
The International Finance Corporation (IFC), the private-investment arm of the World Bank Group, along with Nederlandse Financierings-Maatschappij voor Ontwikkelingsslanden (FMO), a Dutch public-private partnership, recently announced a loan package of USD 50 million for I&M Bank Limited, which is owned by the Kenya-based I&M Group. The funds are intended to increase access to working capital for small and medium-sized enterprises in Kenya - primarily those active in trade, manufacturing and construction - as they adjust to the COVID-19 pandemic. IFC is providing USD 30 million of the total, while FMO is lending the remainder. Alongside the loan funds, IFC and FMO will support the training of I&M Bank staff in “green financing,” such as lending for renewable energy systems and “climate smart agriculture,” which is intended to decrease emissions and mitigate vulnerability. Founded as a community financial institution in 1974, I&M Bank transformed into a commercial bank in 1996. It reports assets equivalent to USD 2.5 billion. I&M Group, a publicly traded firm, has additional holdings in Mauritius, Rwanda, Tanzania and Uganda. August 18, 2021

FINCA DRC, Flash Expand Mobile Financial Services in Congo
FINCA Democratic Republic of Congo (DRC), a unit of US-based FINCA Impact Finance, recently announced a partnership with Flash International, a DRC-based financial technology (fintech) company. FINCA customers will gain access to Flash App, Flash International’s mobile financial services platform, while Flash customers will gain access to the financial services offered by FINCA. The Flash App is used by 2 million customers as an e-wallet to access remittances, pay bills, and purchase services such as television subscriptions and cinema tickets. Flash International operates 90 branches in Cote d’Ivoire, DRC and Republic of Congo. FINCA DRC serves 450,000 clients with 21 branches in DRC, aiming to “enable people to accumulate sustainable wealth, create jobs and improve their standard of living.” Its offerings include savings accounts, loan products, and payment services for school fees and taxes. FINCA Impact Finance is partially held by the US-based NGO FINCA International, which was launched in 1984 as the Foundation for International Community Assistance (FINCA); FINCA Impact Finance comprises 20 banks and microfinance institutions delivering savings, loans and other services to 2.7 million customers in Africa, Eurasia and Latin America. August 6, 2021

Alpha Direct of Botswana Expands Insurance Service to Zambia
Botswana-based insurance underwriter Alpha Direct recently expanded its operations to Zambia using the trade name Alpha Insurtech Zambia. Alpha Insurtech is partnering with Zambia-based General Alliance Insurance to offer short-term insurance such as to cover vehicles. Meanwhile, Alpha Direct is undergoing an equity raise under the advice of Verdant Capital, a Mauritius-based corporate finance firm, to support the following five-year goals: offering long-term insurance; opening offices in Egypt, Kenya, Nigeria and South Africa; and distributing its products in an additional 10 countries in Africa. In addition to Botswana and Zambia, Alpha Direct is active in South Africa. Its lead product, “insurance-in-a-box,” is sold in retail outlets “with a cloud-based activation and policy management platform.” The product targets the “previously uninsured” with coverage for motor vehicles and accidental death. Alpha Direct also offers business, home and other insurance products. The firm served 100,000 customers during the first half of 2021, with 60 active distribution points in Botswana and eight in Zambia. Data on the firm’s operations in South Africa have not been released. August 4, 2021

REGMIFA Raises $10m from FMO for MSMEs in Africa
The Regional MSME Investment Fund for Sub-Saharan Africa (REGMIFA), a fund that invests in micro-, small and medium-sized enterprises (MSMEs), recently accepted an investment of USD 10 million from Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (FMO), a Dutch public-private partnership. The purpose of REGMIFA is to encourage economic development and reduce poverty by bolstering income generation and employment. The new funding increases the volume of REGMIFA to approximately USD 160 million. August 3, 2021

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This is a free, abbreviated preview of a monthly report available by paid subscription at MicroCapital.org
What About the SAM 2019 Convinced 3 Innovators to Return for the SAM 2021?

The SAM (Semaine Africaine de la Microfinance - African Microfinance Week in French) is a major five-day gathering dedicated to inclusive finance in Africa. Since the first SAM in 2013, the SAM has consistently offered a true ecosystem of events, including a two-day conference that this year will deeply explore the resilience of the sector and the populations it serves, thanks to the participation of a range of high-level speakers and panelists. Before and after the conference, participants will meet new partners and learn new skills at the Investors’ Fair, the Innovators’ Village and a wide assortment of free training sessions and workshops.

The Innovators’ Village is a key element of the SAM, showcasing innovative solutions that strengthen the resilience of individuals and organisations in the inclusive finance sector. It is also a meeting place, creating opportunities for synergies among a myriad of actors in the sector. At the Innovators’ Village, you’ll find a range of organisations that can strengthen the resilience to shocks of African institutions and populations through concrete tools, methodologies, products and services. Exhibitors will meet new potential customers and investors to develop their businesses, as well as partners for new projects. Practitioners likewise will identify innovative solutions that meet their needs and find potential partners and investors. Funders can identify innovative solutions with high potential for both social and financial returns.

Probably the most effective way to understand the value of the Innovators’ Village is through the words of leaders who have participated as exhibitors in the past and will return for this next edition of the SAM, which will take place in Kigali, Rwanda, from October 18 to 22, 2021.

Jarek Chuchla, Microfact Coordinator: Every single edition of the SAM is a celebration of inclusive finance in its best form. Perfect organisation - along with impressive programing, training and meetings - has made this event the largest networking platform for microfinance institutions (MFIs) and their stakeholders in Africa.

For Microfact, the SAM is a great way to build momentum in promoting our tools and trainings, which offer great added value to the microfinance sector. Having a stand at the Innovators’ Village in 2019 put us in touch with hundreds of managers, decision-makers and investors who were interested in our tools, “Microvision” and “MFI FactSheet.” These free tools help monitor the performance of MFIs and also can be used to make projections and business plans for them. Moreover, in 2021, we have kept working on even more innovative solutions, launching the Microfact e-learning platform, which offers self-paced online courses in English, French and Spanish. The next SAM is a great opportunity for us to promote these resources to a broader audience.

Denis Moniotte, Rubyx Co-founder: Back in 2019, the SAM Innovators’ Village was Rubyx’s first opportunity to put our ideas, including our “D6” solution, in front of a large number of financial services providers and to observe the reactions of our future clients. In a very short period of time, we were able to have a lot of conversations and gather very valuable feedback. As a result, we launched several new projects in Nigeria and Côte d’Ivoire to help microfinance banks analyse their customers’ behavioural data to fuel their sales force, become more efficient and improve service quality. Today, we analyse the daily behaviour of more than 1 million entrepreneurs and small and medium-sized enterprises (SMEs) in Africa as well as automating credit decisions in seven countries.

This year, we are coming back to the Village to present “D6 Board,” our new web and mobile application that puts artificial intelligence directly into the hands of portfolio managers. This helps them make the right decisions faster as well as offering new products, such as the automated renewal of microcredits, SME loans, bank overdrafts and nano-credit. We look forward to sharing this success with all visitors to the Village this year. Without the SAM, it would be impossible for us to reach such a diversity of actors.

Emmanuel Odonkor, Quipu Business Development Manager: As part of our ongoing drive to facilitate financial inclusion through technology, we joined representatives of hundreds of companies and other stakeholders with similar aims during the SAM 2019 in Ouagadougou, Burkina Faso, to support local initiatives with our international experience.

Three Quipu staff members with in-depth experience in the African market attended the conference and presented our tailored innovation of the year, QWare, a software-as-a-service core banking system designed specifically for MFIs and small banks. Built on the Quipu Banking Suite, QWare covers all the technology needs of small financial institutions, supporting both their back-office and retail business operations. QWare benefits from over 35 years of experience in developing technical solutions for financial institutions of all sizes, now with easier and faster access. Thus the solution drove a lot of interest and discussion around the possibilities of cloud-based core banking systems. Our presence at the booth during the SAM 2019 offered the opportunity to showcase QWare to so many interested financial services experts. We are looking forward to meeting our customers at the SAM 2021 to share even more innovations that we have developed over the past two years!
EAR TO THE GROUND

Women Redirect Pandemic Support to Grow Their Own Way

The COVID-19 pandemic has become a natural experiment for exploring many a research question. One of my big questions lately has been whether loans are necessary to spur and maintain entrepreneurship. For decades, we have assumed - sometimes warily - that loans can “teach a man to fish,” allowing a poor person with a dream, skill or simply a need to pull themselves out of poverty. But like many free-market strategies to tackle inequality, this one has seemed - at best - limiting. My hunch over the past three decades has been that the microfinance hype (including various backlashes) has distracted us from efforts to promote other valuable services for microentrepreneurs. These can include startup grants, concessionary loans and - perhaps most importantly - non-financial services that teach critical skills for business success.

According to the US Census Bureau, Americans registered 4.3 million new businesses in 2020, up 24 percent from 2019 and hitting a 15-year peak. The US has not been alone. According to the Financial Times, people in France registered 84,000 new businesses during October 2020, the highest monthly total ever. The UK saw a 30-percent year-over-year increase in registrations during the 30 days ending December 15. Even the ever-recessing Japan saw stunning growth, with 10,000 new businesses registered during September 2020 and more on tap.

My own “experiment” has been in the economically heated Hudson Valley of New York State, where I have been spending much of my time lately. I’ve noticed an incredible number of new startups here - from bakeries to llama farms to nail salons to nutrition counseling offices. Most of these, I also have observed, are run by women. My Instagram account, @hudsonvalleywomen, has been tracking some of the stories of these entrepreneurs. One thing they have in common is the absence of borrowing, especially in their first year. Instead, the women have started their businesses with savings and help from friends and family. But what of those who don’t have friends and family on whom to rely? Or those who lost savings to illness, divorce or other financial shocks? My interviews reveal that they received help from an unexpected angel, the COVID-19 pandemic - and the relief funds that accompanied it, such as severance pay, pandemic relief funds and expanded unemployment checks.

Those interested in promoting economic growth, innovation and entrepreneurship in developing markets should watch what is happening in the resource-rich Global North. Prior to the pandemic, the US had seen a 40-year decline in entrepreneurship. Economists worried about this stagnant growth in startups, because startups spur innovation and create jobs and economic growth. Today, despite the pain and disruption of COVID-19, we may see significant benefits to our economy from these new businesses, not the least of which may be increased resilience to future crises. Those working in the Global South can build these lessons into microfinance programming by raising “soft” money for startup and early-stage grants, loosening loan requirements for new businesses, and offering training to give businesses a boost. I recently set up an Instagram account for an aspiring gallery owner and artist who left a government job to pursue her dream. She is now posting her work on the site and boasts that my 10-minute “lesson” opened a whole new marketing channel for her. We spend so much time worrying about how to deliver technical assistance to businesses, when - in reality - it’s probably a lot simpler than we think.

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)ea-global.com, and you may follow her on Twitter at BarbaraatEA.
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ONLINE COURSES ON FINANCIAL INCLUSION AND GREEN FINANCE

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This paper proposes remittance-scapes as a new way of analyzing and regulating remittances. Dr Guermont defines remittance-scapes as “the socio-economic and financial institutions, physical structures and cultural practices through which the production, circulation and reception of remittances are accomplished across multiple scales and spaces.” He argues that remittances should not be viewed narrowly as transactions between migrants and recipients, but instead broadly as remittance-scapes, involving stakeholders including “international financial institutions and state actors, RSPs [remittance service providers], fintech companies, microfinance institutions, migrants and remittance recipients.” Viewing remittances as multi-part, large-scale transfers of resources can enable governments and private actors to understand their development potential, and prioritize the creation of more accessible transfer channels and investment avenues for...*

COVID-19: Accelerating the Use of Digital Agriculture


To increase the value of technology for farmers, the authors’ recommendations include that service providers: (1) partner with peers that have “complementary assets” to facilitate the introduction of new offerings; (2) distribute agricultural advisory services via short message service rather than web-based platforms; and...*

Leadership as a Driver of Innovative Financial Services for Women


The results of this study indicate that self-confidence was key to women’s ability to create change within financial services providers (FSPs) serving women with low incomes. The specific skills cited as most important were crisis management, two-way communication and the ability to influence external FSP partners. In addition, 69 percent of survey participants noted the importance of...*

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