Dual Return Vision Fund Lends to Humo of Tajikistan

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AFI Loans $16m to Kinara of India, BRAC Tanzania, FINCA Kyrgyzstan for MSMEs

Agents for Impact (AFI), a Germany-based impact investing company, recently informed MicroCapital that it has issued the following loans: the euro-equivalent of USD 9.2 million to India’s Kinara Capital, USD 5 million to BRAC Tanzania Finance and USD 1.5 million to FINCA Bank Kyrgyzstan. Kinara issues collateral-free loans to micro-, small and medium-sized enterprises. The loans, which range in size from the local-currency equivalent of USD 1,300 to USD 40,000, are intended for purposes such as working capital and asset purchases. Although Kinara promises “digital first” loans with decisions within 24 hours, it also provides services at the customer location and via 110 branches. The company reports after-tax profit of USD 1 million on one-year income of USD 31.5 million and total assets of USD 151 million. BRAC Tanzania provides small and medium-sized loans to 195,000 women - about half of whom live in rural areas - via 151 branches. The institution also offers services relating to education, empowerment and solar energy. BRAC Tanzania is controlled by the Dutch NGO Stichting BRAC International. BRAC International provides microfinance, education, agricultural, health, “ultra-poor graduation” and other programming in nine African and Asian countries. The name “BRAC” derives from that of Bangladeshi NGO Building Resources Across Communities. FINCA Kyrgyzstan, a subsidiary of US-based FINCA Impact Finance, was founded in 1995 and serves 147,000 clients with a loan portfolio of USD 116 million. October 7 and October 31, 2021

CERISE, SPTF Invite MFIs to Join Client Protection Pathway

Two NGOs, Comité d’Echange, de Réflexion et sur les Systèmes d’Epargne-Crédit of France and the US-based Social Performance Task Force, recently announced the Client Protection Pathway, a free service through which financial service providers (FSPs) may access support and receive recognition for improving the ways they serve clients. The first step in the pathway is to agree that “Our organization has reviewed the Client Protection Standards, and we commit to using them to improve our practices over time.” The second step is for the FSP to assess its operations and make incremental improvements, supported by the Pathway’s documentation, webinars and referrals to consultants. The third step is to share the organization’s successes via https://sptf.info/client-protection/fsp-committed-to-client-protection. This website also includes a link to the list of participating FSPs, which number 27 as of October 2021. October 4, 2021

ReshaMandi of India Raises $30m for App Serving Silk Value Chain

ReshaMandi, a business-to-business app serving 35,000 farms, manufacturers and...*

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NEWS FROM AFRICA

AVPA, Investorflow.org Partner to Boost Impact Funding in Africa

African Venture Philanthropy Alliance (AVPA), a Kenya-based “Pan-African network for social investors,” and Investorflow.org, a US-based platform that helps impact investors find co-investors, recently announced a partnership. AVPA CEO Dr Frank Aswani stated that the tie-up “will allow AVPA to add another 500-plus investors onto the AVPA Deal Share Platform and... enable greater co-investment and flow of financial, human and intellectual capital into African social investments,” particularly from North America. Founded in 2018, AVPA is headquartered in the city of Nairobi and also has offices in Nigeria and South Africa. AVPA is associated with the Asian Venture Philanthropy Network; the European Venture Philanthropy Association; and Latinimpact, which is active in Latin America. Established in 2017, Investorflow.org is a program of the US-based NGO Realize Impact.

October 28, 2021

Yehu of Kenya, ASA Rwanda Borrow $1.5m from GCA Foundation

The Grameen Credit Agricole (GCA) Foundation, whose head office is in Luxembourg, has announced the disbursement of the following local-currency loans: the approximate equivalent of USD 888,000 to Kenya’s Yehu and an amount approximately equivalent to USD 580,000 for ASA Microfinance Rwanda. Founded in 2016, ASA Rwanda has a loan portfolio of USD 2.8 million in group and individual microloans outstanding to 18,000 female entrepreneurs, about half of whom live in rural areas. The lender’s parent company is ASA International, which serves 2.5 million clients in 13 countries in Africa and Asia. Yehu is a microfinance institution that was founded in 1998 as a savings program of the US-based NGO Choice Humanitarian. Yehu now offers loans for agriculture, education, working capital and asset purchases as well as insurance, training and mobile banking. The institution serves 28,000 people, mainly in rural areas, with a portfolio of USD 7.9 million.

October 25, 2021

Oikocredit Lends $9m to Sidian Bank for SMEs in Kenya

Oikocredit, a cooperative investor based in the Netherlands, recently lent the local-currency equivalent of USD 8.9 million to Kenya’s Sidian Bank for on-lending to small and medium-sized enterprises (SMEs). Sidian is a commercial institution with 42 branches offering corporate services, SME loans, microloans and personal loans as well as savings and insurance. For the 12 months ending March 2021, the bank reported after-tax income of USD 322,000 on total assets of USD 290 million. Sidian, formerly known as K-Rep Bank, evolved from an NGO that was launched as K-Rep in 1984 to promote micro- and small enterprise. Oikocredit Investment Manager Caroline Mulwa said Sidian “has demonstrated the ability to package trade solutions to the emerging SME clientele... and thus contribute to the creation of sustainable jobs, which is in line with the mission of Oikocredit to create a lasting social impact on the low-income sections of society. During the investment period, Oikocredit will work with the bank to mainstream social impact and its measurement into its lending activities.” October 10, 2021

African Guarantee Fund, Oikocredit Boosting Tie-up by $25m

Oikocredit, a Netherlands-based cooperative investor, recently signed an agreement valued at USD 25 million with the African Guarantee Fund for Small and Medium-sized Enterprises (AGF). The deal increases the parties’ 10-year loan guarantee volume to USD 43 million, allowing Oikocredit to boost its lending to African businesses in a range of categories, including microfinance institutions, small and medium-sized enterprises (SMEs), and firms led by women. Among the sectors Oikocredit will continue to support are agriculture and renewable energy. In addition to the guarantee, AGF will grant approximately USD 400,000 to the Stichting Oikocredit International Support Foundation to train staff, deploy risk assessment tools, perform market studies and support product development. The purpose of the foundation is to fund both “Oikocredit in the various activities it deploys in low-income countries and also assist Oikocredit partners in those countries,” AGF CEO Jules Ngankam noted, “With the current guarantee enhancement, Oikocredit can now further extend its intervention towards facilitating financing of women-led and women-owned businesses... through the AFAWA [Affirmative Finance Action for Women in Africa] Guarantee for Growth program, which is implemented by AGF.” AGF, a non-bank financial institution, was founded in 2012 by the African Development Bank and the development finance institutions of eight European countries. As of year-end 2019, AGF has outstanding guarantees totaling USD 682 million.

October 14, 2021

Grameen Credit Agricole Foundation Lends $3.7m in Togo, Zambia

Two microfinance institutions (MFIs), Togo-based Assilassimé Solidarite and Agora Microfinance Zambia (AMZ), have agreed to borrow the local-currency equivalents of USD 2.5 million and USD 1.2 million, respectively, from the Grameen Credit Agricole Foundation, whose head office is in Luxembourg. Assilassimé is a nonprofit whose head office is in Luxembourg. Assilassimé is a nonprofit that offers savings, loans and training services to 17,500 women and 1,700 men “experiencing exclusion or extreme poverty.” The MFI reports a loan book of USD 3.4 million and client savings of USD 2 million. Entrepreneurs du Monde, the parent organization of Assilassimé, is a French NGO active in microenterprise, energy and agriculture in 11 low- and moderate-income countries. AMZ is an MFI in Zambia that “aims to serve customers who have previously been excluded from the formal financial market, mainly because of their poverty or their place of residence.” It offers loans, insurance and mobile money services. AMZ has approximately 80,000 borrowers - mostly women - of whom 92 percent live in rural areas. The MFI reports total assets of USD 7 million, an active loan portfolio of USD 5.3 million, and one-year return on equity of 12 percent. Agora Microfinance, the parent company of AMZ, also owns Agora Microfinance India Limited and recently sold its stake in AMK Microfinance Institution, a Cambodian entity formerly known as Angkor Microheranhvatho Kampuchea. Agora Microfinance is managed from offices in Mauritius, the Netherlands and the UK. As of year-end 2020, Agora Microfinance reported total assets of USD 43 million.

October 6, 2021

This selection of news on Africa appears compliments of:

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**SPECIAL FEATURE**

This feature is part of a sponsored series on *European Microfinance Week 2021*, which will be held online from November 17 to November 19. MicroCapital has been engaged to promote and report on the conference each year since 2012.

**Christoph Pausch on an Expanded European Microfinance Week**

*MicroCapital: European Microfinance Week (EMW) 2021 - like in 2020 - will be virtual. How is it possible to make an online conference a success?*

Christoph Pausch: Like last year’s successful first virtual conference and in the years before it, EMW2021 remains primarily a member-led event, and the programme is developed based on what members propose and consider important. This is as true as ever. There are things we learned from last year’s event, and there will be some changes based on what we observed - and based on feedback from attendees, of course. But fundamentally the idea remains the same: a programme covering a wide range of topic streams and presented via a whole array of different session models, chosen depending on the subject matter, the audience and the objectives of the session. That means plenaries, traditional panels, workshops, topic lounges, publication launches and Action Group meetings - among others. As much as possible, we help our members put together sessions that are current, relevant, important and interactive. Beyond this, there are other improvements in the online conference platform which will make networking more accessible and meaningful: attendees will be able to join different groups of attendees based on their role or region or subject focus - or set up one-on-one meetings as well. So, we will replicate that richness of the in-person conference as much as we can.

**MC: What choices of sessions can attendees expect?**

**CP:** The conference will have four plenaries this year, focusing on: climate change post-COP26 and its implications for the financial inclusion sector; three approaches to facilitating access to inclusive health care (the topic of the European Microfinance Award 2021), including the launch of the e-MFP Award publication; the impact of the pandemic and the response of investors; and a closing plenary that is both retrospective on the past 18 months and looks to the changes that will endure.

Alongside these plenaries are almost 50 other sessions covering diverse themes such as smallholder finance; climate and green finance; social performance, with a strong focus on outcomes and impact management; digital financial inclusion; COVID-19 and financial inclusion; health care; and women’s financial inclusion. Other topics covering the most relevant issues of the sector include remittances, WASH, child labour, capacity building and youth - among others. As always, we have lined up top experts - practitioners, academics, investors, TA providers and others - to lead these sessions and extensive Q&A and audience engagement activities as well. Finally, e-MFP’s incredibly active Action Groups all will be hosting sessions during EMW2021.

**MC: The European Microfinance Award ceremony was virtual last year; will that stay the same?**

**CP:** On Thursday, November 18th, there is - as every year - the European Microfinance Award ceremony. This year it will use a hybrid model, with an in-person ceremony at the European Investment Bank live-streamed to an international audience, plus live feeds from the three Award finalists - CREYCER IFD from Bolivia, DREAMploms Ltd from Thailand and Fonzoke from Haiti - as well as short films on their health care initiatives. And, of course, the ceremony will include the announcement of the winner of the EUR 100,000 prize.

“...for the first time, on November 15th and 16th, EMW will include two Training Days, with paid online trainings hosted by several e-MFP members on a range of topics: digital transformation, new business models for the post-COVID world, building customer-centric institutions, social impact management, risk management and organisational resilience - among others.”

—*Christoph Pausch, e-MFP*

**MC: And there is a major new addition to the programme this year, correct?**

**CP:** Yes, for the first time, on November 15th and 16th, EMW2021 will include two Training Days, with fee-based online trainings hosted by several e-MFP members on a range of topics: digital transformation, new business models for the post-COVID world, building customer-centric institutions, social impact management, risk management and organisational resilience - among others. The trainings are open to anyone who wishes to register, but the initiative is intended as a benefit particularly for the hosts’ fellow e-MFP members, so they’ll receive a discount - as will attendees from low-income countries. e-MFP is inviting, registering and co-ordinating the participants, but the trainings themselves are all conducted by the subject-matter experts. This first Training Days event is a sort of pilot initiative; if the demand is high, we plan to develop events like this even outside of the annual conference.

*Christoph Pausch serves as the Executive Secretary of e-MFP.*

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EAR TO THE GROUND

When Women Leave: Rethinking Our Staff Policies

Last week, Andares, a network of over 380 women working in the financial inclusion space in Latin America, co-hosted a webinar with CGAP's FinEquity about a topic that has been of great concern to me. Before I get into the topic, I want to point out a connection I have observed over the years: If you become an expert on designing financial services for women, you become an expert on designing them for everyone. In saying this, I borrow from the concept of "designing for extremes," whereby designing for the most difficult segments of a population helps those segments as well as your average clients. Designing financial services for extremes means you make the services more accessible, easier to understand, easier to pay for and overall much more user-friendly for segments that you weren't reaching optimally.

During last week's webinar, we discussed a concern that has been expressed by the World Bank, the US government and others: Since the COVID-19 pandemic, women worldwide have been leaving their jobs at alarming rates. This isn't to say that men aren't leaving the labor force too, but the reality is that many women were burdened even more than men with their dual responsibilities as caretakers and workers during the pandemic. Taking care of sick relatives, keeping families safe from contagion, supervising online school, etc has become more than a part-time job for many.

This broad employment trend has impacted the microfinance sector as well. We at Andares find this concerning because we have strongly advocated for women's leadership in the sector, and most leaders in our sector grow from within their institutions. If we lose women at the bottom of the staff hierarchy, there will be fewer women to become leaders in the future. And women's leadership is critical; plenty of research documents that diverse leadership - and women's leadership in particular - offers institutions greater profitability and lower risk.

Another dimension to this problem stems from the fact that most of the clients served by MFI's are women. If an MFI can't show that women flourish working within its ranks, then why would women believe the MFI can help them grow and flourish?

Our webinar panelists - from Banco Solidario in Ecuador, MiCrédito in Nicaragua, and MiBanco in Peru and Colombia - understand this. Some were able to implement preventative measures to stop the outflow of women staff; others are tackling this now, with innovations such as gender empowerment training, more flexibility in hours and commission structures, and support for physical and mental health. The most inspiring part is that the MFIs are all reacting - and that their responses will benefit both men and women staff.

For decades, I have questioned the quality of life of MFI staff across the globe. The hours are long, and the work is often dangerous, as loan officers ride motorcycles alone to remote places or walk through dangerous neighborhoods unarmored. The paperwork can be excessive (although digitization is helping with this aspect of the job). The pressure can be excruciating. The pandemic - and the outflow of women in particular - may offer an opportunity for the microfinance sector to rethink the way it manages its human resources and shift toward a more responsible and ethical approach. This will not be cheap or easy, but we believe that it will lead to more stability, less staff rotation and greater productivity over time.

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, and you may follow her on Twitter at BarbaraatEA.
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The authors propose that financial service providers (FSPs) seek to enhance the resilience of users of informal saving mechanisms (ISMs), such as rotating savings and credit associations (ROSCAs). They define resilience as “the ability to sustain one’s livelihood by preventing or reducing the impact of financial shocks on income and expenditure.”

When unpredictable financial shocks occur, such as natural disasters or high inflation, all members of an ISM are negatively impacted. Thus, members are very limited in their ability to support each other. Regarding the potential for FSPs to address this problem, the authors cite as examples two financial technology (fintech) firms in Ghana, Emergent Payments and DSS Platform.

Emergent Payments offers a mobile group funding and savings platform called Maximus that has enabled five FSPs to reach 20,000 people in rural and peri-urban areas with the ability to save and receive funds from ISMs and FSPs electronically. Emergent also offers pensions as well as life and health insurance.

DSS Platform offers savings services as well as microloans to 36,000 susu customers. Susu, a popular ISM in Ghana, involves payment collectors visiting markets and homes periodically to collect small deposits, with the sum of the deposits returned at the end of each cycle, less a fee. By digitizing susu activities, DSS has increased the...*

The authors also suggest promoting digital payment systems via the development and usage of: (1) government-led, pan-regional central payment infrastructure; (2) open banking practices, including APIs that allow banking applications to interact with each other; (3) interoperable QR codes for making payments; (4) national...*

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