CONFERENCE REPORT

EUROPEAN MICROFINANCE WEEK 2016

16th - 18th November 2016
Abbaye de Neumünster, Luxembourg

EUROPEAN
MICROFINANCE
PLATFORM

NETWORKING WITH THE SOUTH

www.european-microfinance-week.eu

European Microfinance Week 2016 sponsors:

Platinum sponsor

Triple Jump

Other sponsors

European Investment Bank – The EU bank

arendt – arendt & medernach

Linklaters

EFSE – European Fund for Southeast Europe

symbiotics

InFiNe – Inclusive Finance Network Luxembourg

OIKO CREDIT – investing in people

Rabobank Foundation

alfi

VERDANT CAPITAL – Supported by Deutsche Asset & Wealth Management

ada

Organisateur de la SAM
- Semaine Africaine de la Microfinance -

CREDIT SUISSE

SoftwareGroup – doing it right

Media partners:

MicroCapital

next billion

CGAP MICROFINANCE GATEWAY

CGAP PORTAIL MICROFINANCE

DevelopmentFinance

responsible-investor.com – ESG and sustainable finance

With the support of:

THE GOVERNMENT
OF THE GRAND-DUCHY OF LUXEMBOURG
Ministry of Foreign and European Affairs

Directorate for Development Cooperation
and Humanitarian Affairs

THE GOVERNMENT
OF THE GRAND-DUCHY OF LUXEMBOURG
Ministry of Finance

CONFERENCE REPORT

EUROPEAN MICROFINANCE WEEK 2016

16th - 18th November 2016
Abbaye de Neumünster, Luxembourg

CONFERENCE REPORT

FOREWORD

This year's European Microfinance Week conference took a slightly different approach than previous editions. Recognising and celebrating ten years of the European Microfinance Platform, the conference, rather than presenting a single theme, instead provided equal focus to six main *streams* – representing the breadth of the Platform's work over the years: green microfinance; investors, donors and funders; rural finance; social performance; digital innovations; and the 2016 European Microfinance Award topic of *Access to Education*.

This conference was an immense success. It brought together from 58 countries over 450 opinion-leaders, top management of banks, funds and other financial institutions, practitioners, academics, analysts, raters and industry commentators to present key innovations, challenges, and Best Practice in the inclusive finance sector – and also gave an unparalleled opportunity for networking.

A range of plenary sessions, on 'Microfinance and Access to Education'; 'Microfinance and Housing, One Brick at a Time'; and 'Digital Finance: Full Inclusion or Empty Promise?' began and ended each day, and over twenty workshops on the most relevant and topical issues also developed and presented the activities of the Action Groups, which gathered on the Wednesday to discuss the work undertaken over the previous year and the plans for 2017.

These plenaries and workshops all looked to *the future*, very much the theme of this conference, which was well captured in the closing remarks of the conference. The closing drew on the tenth anniversary of e-MFP and how in that decade the sector has changed in so many ways, from the products offered, to impact monitoring and the technology available to increase access and lower costs. The Platform has changed too in that time: how will it change in the future in parallel with the changes in the financial inclusion sector?

It has been a great ten years, and there are exciting times ahead. This report brings together some of the important discussions, findings and presentations of the conference, for those who were there and those who were not but want to join us in thinking about the future.

Thanks must go as always to everyone involved in both the conference and the production of this report, and we hope you enjoy it.

We look forward to welcoming you at the next European Microfinance Week, from 29th November - 1st December 2017.

Anne Contreras, Chairwoman
Christoph Pausch, Executive Secretary

SESSIONS


a) work out the value of 6 in 4674.
b) Write five thousand one hundred
Spelling game
Evaporation
Condensation

THURSDAY 17 NOVEMBER 2016

WELCOME ADDRESS

SPEAKER **Christoph PAUSCH**, e-MFP

Christoph PAUSCH, e-MFP Executive Secretary, opened European Microfinance Week (EMW) 2016 by welcoming the 470 registered participants from 58 countries at the Abbaye de Neumünster in Luxembourg. He also highlighted the record number of people that had attended the previous Action Group Day.

Pausch thanked the speakers, moderators, sponsors and funders which made EMW 2016 possible. He expressed delight in seeing so many familiar faces at this special edition which also celebrated e-MFP's anniversary – ten years of inclusive finance innovation. He thanked all e-MFP's members, friends and partners for their support in the past decade. Pausch invited the present and former Chairmen and Chairwomen – Anne Contreras, Marc Bichler, Cécile Lapenu and Axel de Ville to cut an anniversary cake. To mark the occasion an anniversary video was screened and a special 10 year edition newsletter was also distributed, both celebrating e-MFP's achievements so far, and looking forward to the future.

PLENARY:
MICROFINANCE AND ACCESS TO EDUCATION (7th EUROPEAN MICROFINANCE AWARD)

MODERATOR	**Sam MENDELSON**, Arc Finance
SPEAKERS	**Edgardo PÉREZ**, Fundación Génesis Empresarial, Guatemala
	Roshaneh ZAFAR, Kashf Foundation, Pakistan
	John Robert OKWARE, Opportunity Bank Uganda Limited, Uganda

PRESENTATION

Sam MENDELSON opened the plenary by stating that access to education is a major determinant for future economic status. Unemployment in low income countries is widespread, especially among young people and is likely to grow in coming years. Solutions to increase access to education are needed which address the supply side - the number and quality of schools, as well as the demand side - providing low cost opportunities to access education. Mendelson explained the selection process which culminated in the three finalists present and that the High Jury would decide the winner later that day.

He concluded the introduction with a statement by Aryslady Cottes, a student from the Dominican Republic. Microfinance enabled her to pursue tertiary education which will help her achieve her dreams to help her family, obtain a personal computer and complete her studies. She hopes that one day she will be able to give back what she was given.

DISCUSSION

Mendelson then introduced the three finalists of the 7th European Microfinance Award on Access to Education:

- Fundación Génesis Empresarial offers customised loans for university and post-secondary vocational education training to low income families.

- Kashf Foundation has a low cost private school program. It is a credit facility providing access to finance for low cost private schools as well as trainings for teachers and school managers.

- Opportunity Bank Uganda Limited provides loans to families to enable them to send children to school. On the supply side the organisation provides loans to schools for quality improvement.

Roshaneh ZAFAR of Kashf Foundation explained the background of the school program. She stated that 25 million children do not attend school in Pakistan, the largest drop out ratio in the world and requiring urgent attention. Kashf took a broad approach by looking into scholarships directed to children as well as general education sector improvement. To invest in the supply side they first compared the government and private sector. Kashf Foundation decided to invest in low cost private schools due to quality reasons as it turned out that results of low cost private schools are slightly better compared to public schools. In public schools only 40% of the students are able to read and write up to grade-2 level compared to 70% in private schools. Moreover, a student only needs half a year at a private school to catch up after a transfer from a public school. Zafar stressed the need for impact monitoring to keep track of improvements made in infrastructure, management, curriculum and teacher quality and the results of the students.

The moderator asked Zafar about the biggest challenge to the program. She mentioned that many schools do not have a set curriculum making teaching-the-teacher programs inadequate to solve the issue. Another point she highlighted is the level of the schools and the need to customise instead of standardise their offer for each school. Lastly she mentioned that the institution needed 750 schools to reach sufficient scale.

Mendelson then asked Edgardo PÉREZ to paint a picture of his programme and

explain why it focuses on higher education. Pérez mentioned that Fundación Génesis Empresarial exclusively works in Guatemala. The country has a population of 16 million of which 62% are poor and 25% are extremely poor. Education has always been a strategic pillar of his organisation but, over the years, it became evident that increased training was needed to make a lasting economic impact. This is why the foundation started a programme focused on technical careers. The programme now also focuses on high school enrolment which is very costly in Guatemala. The foundation has developed a financial product to smoothen the financial strain on the cash flow of Guatemalan families. In the future, the foundation aims to also offer financial services for primary education.

The moderator then asked how the foundation ensures impact. Pérez mentioned that the foundation smoothens cash flow issues of families. They offer a cash payment of school tuition at the beginning of the year if the school provides a 10% discount. This discount is transferred to the student which has to pay an interest of 17% on the loan. When asked to highlight on non-financial tools to complement loan products, Pérez mentioned that the foundation trains parents to promote education, especially in the rural areas where almost 80% of children drop out of school.

As main challenges Pérez mentioned that machismo in Guatemalan culture can be an important barrier for the programme as 70% of clients are women who feel increasingly empowered. Another issue is the use of children as land labourers by their parents. He suggested that training is needed to change perceptions among parents. Finally he mentioned that Guatemala has one of the highest incidences of malnutrition which limits children in their development.

Mendelson then asked John Robert OKWARE why his organisation chose to provide a very wide portfolio of services on both the supply and demand side of education. Okware stressed that this was born out of necessity as both the quality and number of schools were insufficient as well as the lack of opportunities for parents to send their children to school. On the question what the biggest success and challenge of the program were, Okware mentioned that the school loan has been very successful. Their insurance product has seen a low uptake so far as it is not well understood how it can improve the situation of a household.

Mendelson explained that Opportunity Bank recently has been acquired by a Fintech company and asked Okware what will change in the organisation. He replied by underlining it will bring digital efficiencies for the organisations.

The moderator asked the panellists whether it is okay to profit from educating the poor. Zafar stressed that although she recognizes the tension on this topic, education is a huge need while opportunity costs are currently too high. Pérez agreed with Zafar that there is a clear trade-off between the social and financial balance sheet. If you want a sustainable product, you cannot outperform on one or the other. Okware added that organisations need to be profitable in order to reach out to new people and to be able to provide non-financial services.

Mendelson questioned the panellists whether their organisations let the state off the hook by providing private education. Pérez firmly stated that his organisation wants to engage in access to education in order to make a difference. Zafar agreed with him, but did not rule out the important task that the government has in terms of setting quality requirements and codes of ethics. Okware added a practical argument. The need is simply bigger than his government is capable of meeting.

Mendelson concluded the session by asking the finalists what they will do with the prize. Zafar replied that her organisation would use the prize to train teachers, even beyond their own schools. Pérez mentioned that he wants to fight malnutrition by setting up service centres to teach parents about this issue. Okware would use the prize to improve the non-financial activities in order to reduce dropout rates.

FINANCING SUSTAINABLE ENERGY: TRADITIONAL SOLAR VS. PAYGO

MODERATOR	**Yekbun GURGOZ**, Climate and Clean Air Coalition (CCAC)
SPEAKERS	**Jan-Henrik KUHLMANN**, Triple Jump
	Natalia REALPE CARRILLO, MicroEnergy International GmbH
	Tim REUTEMANN, UNEP DTU Partnership
	Francis VAZHEPARAMBIL, Standard Microfinance Bank, Nigeria

PRESENTATIONS

Yekbun GURGOZ started the session by presenting the Climate and Clean Air Coalition which is a global effort committed to improving air quality and protecting the climate by reducing emissions of short-lived climate pollutants. The Coalition is a unique partnership of countries, NGOs, IGOs and cities working across sectors such as household energy, brick kilns or agriculture.

Francis VAZHEPARAMBIL explained the background of Standard Microfinance Bank, a mid-sized MFI operating in a difficult frontier market in North Eastern Nigeria. It serves over sixty thousand clients, mostly rural smallholders. Most villages are off grid and people use firewood, charcoal or kerosene for cooking and lighting. This is one of the major reasons why Northern Nigeria is losing its tree cover and top soil at an alarming rate, leading to desertification. As linking villages to the grid is expensive, Standard Microfinance Bank has chosen to finance clean cooking stoves and solar power systems. The bank has already financed solar lanterns on a pilot basis. Encouraged by the outcomes, the bank plans to scale up and develop a sustainable funding model in partnership with the Climate and Clean Air Coalition.

Tim REUTEMANN, Carbon and Development Expert at UNEP DTU Partnership, advises the Standard Microfinance Bank how this sustainable funding model should look like. Reutemann showed the clear business case for solar home sets. Approximately one year of kerosene pays for a solar home set that lasts at least three years. However, he identified three barriers: access to credit for off-grid populations, difficulties in consumer trust in product quality and the relatively high transaction costs and low asset value.

Reutemann illustrated two transformational solutions to draw conclusions on what worked in particular situations.

The first example was PayGo in Kenya which uses mobile money and machine-to-machine (M2M) communication to address the identified barriers. Loan collection enforcement is easier as PayGo can switch off the system automatically at distance if repayments stop. Consumers have a guaranteed product quality and can stop paying for the product when it is broken, as well as improved after-sales services due to remote-access to system diagnostics. Transaction costs are reduced as PayGo uses mobile money solutions to collect payment. The second example was IDCOL Bangladesh which utilizes the existing strong rural Micro-Finance Network in the country. It is able to provide loans for solar home sets by using credit history from agricultural microcredits and can assure the quality of the product through a national certification scheme. Transaction costs remain fairly low as IDCOL uses an existing MFI. Together with Vazheparambil, Reutemann needs to identify the best model for Nigeria, which has neither the extreme mobile money penetration of Kenya nor the supreme MFI infrastructure of Bangladesh.

Natalia REALPE CARRILLO introduced a toolkit for financial institutions interested or already engaged in addressing energy access of their clientele. An estimated 1.3 billion people lack access to electricity and 2.6 billion people still rely on biomass for

cooking and heating. These figures have been traditionally measured by having or not having household electricity connection and cooking with non-solid fuels regardless of the efficiency of the cook stove. However, they hardly mirror the reality; poor quality connections or decentralized energy systems are not reflected in the metrics. There are several developments to improve the methods to measure access to energy. Recently, the Energy Sector Management Assistance Program (ESMAP) published the multi-tier framework (MTF), which takes into account the multidimensionality of energy access.

Considering this achieved milestone, Realpe Carrillo designed the Progress out of Energy Poverty Index (PEPI) toolkit to measure the access to electricity services and cooking facilities for households. The PEPI methodology is based on the MTF approach, which measures whether households have reliable, affordable and safe electricity supply and services as well as available, affordable and safe cooking facilities, aligned with the Sustainable Development Goal 7 on energy access. Realpe Carrillo showed the ease of use of the toolkit, comprising a set of frameworks, a survey and an index. The survey can be filled in digitally in the field, but also on paper. Based on the results, an index can be calculated, providing the changes in access to energy instead of a static tier-ranking. As such, through the use of the PEPI, the financial institutions can identify the energy needs of the clientele and track accurately how access to energy in a particular region is developing.

Jan-Henrik KUHLMANN provided the investor's perspective on financing sustainable energy. He noted that the sector is pushed by new sustainable energy technologies but also by technologies that lower transaction costs and increase ease-of-use such as mobile money solutions. From the perspective of an institutional investor he mentioned that the sector is regarded with caution, as it remains in flux and dynamic, as business models are still in a development phase and the value chain of the industry is assessed as still nascent and not very efficient. Further, most companies are loss making, which raises questions on the financial sustainability of companies and the sub sector However, he complemented the companies active in this dynamic sector on their professionalism and drive for change. He concluded that as the sector is maturing, the tipping point for large investors to step in is coming closer.

DISCUSSION

The audience asked Vazheparambil if the Standard Microfinance Bank considers upscaling their activities in Nigeria and beyond. Vazheparambil replied that the bank is partnering with the government to upscale, but is legally bound to Nigeria. Another participant in the audience questioned Vazheparambil on how servicing of off-grid power systems is arranged. The speaker answered that the solar home systems are not yet acquired, but agreed that ease of servicing can be decisive in the acquisition of the off-grid power systems.

The moderator concluded the session by questioning the panellists on the main challenges to growth they see affecting the sector. Vazheparambil responded that costs are an important issue, underlining the need to manage low ticket loans. In the case of Nigeria he mentioned that mobile solutions can lower costs, but there is still a lack of understanding on how blending finance solutions with innovative finance mechanisms can play a role in the sector. Realpe Carrillo stressed the need for better information to improve understanding, decision-making and trust in the energy solutions. Reutemann stressed that the sector is driven by women. Kuhlmann underlined that the sector still needs to prove its profitability. The industry needs to develop further to prove its potential.

MYANMAR, THE NEW GOLDEN LAND FOR MICROFINANCE?

MODERATOR	**Perrine POUGET**, EIB
	Rommel CARINGAL, VisionFund Myanmar
	Claude FALGON, Advans SA, SICAR
	Paul LUCHTENBURG, UNCDF
	Sanjay SINHA, M-Cril

PRESENTATIONS

Perrine POUGET kicked-off the session with the question: "Is Myanmar a golden land for microfinance?" There are many opportunities to be found for investors, but challenges also abound. How can we leverage these opportunities while dealing with challenges in a responsible manner? She provided the context in Myanmar: A low GDP and HDI, a dependence on the agricultural sector, and a legacy of defunct financial institutions and infrastructure left by the dictatorship which its first democratic government is working hard to overcome.

She then gave the floor to Paul LUCHTENBURG, country coordinator of UNCDF. Luchtenburg provided an overview of Myanmar's microfinance sector. He stressed the strong desire to move ahead in the country, with a government eager to learn and prove itself, but also high expectations of the population. The country is among the fastest growing economies in the world. The lifting of sanctions by the European Union (EU) and the United States of America (US) and new legislation is expected to bring further progress and increase foreign investments. On the other hand, the weak financial infrastructure, continued macro-economic and exchange rate volatility and inflationary pressures plague the economy.

Even though there is strong willingness to learn and improve, barriers to financial inclusion abound. In terms of the enabling environment, Luchtenburg identified weak regulation, limited supervisory capacities and low trust in the financial sector. He also identified a mismatch in supply and demand with inappropriate products, capital constraints and low capacities of financial institutions, in particular to serve rural areas. He also mentioned ineffective payment systems and a continued reliance on paper-based banking.

He provided data to show the business case to invest in microfinance in Myanmar. One quarter of the population earns less than USD 1 per day, while half of the population has less than USD 2 per day at their disposal. 70% of the population is financially excluded or served by informal financial service providers. While only 5% of the population has a bank account, 16% use high-cost informal credit sources. The continued unmet demand for financial services is further exemplified by the huge gap in loan size existing between MFIs (USD 120 on average) and banks (USD 70,000), the large informal sector and the low market coverage of financial institutions at the low and intermediate end of the spectrum.

He explained how the 2011 Microfinance Law led to a rapid increase in the number of institutions with microfinance activities to 267. This number went down to the current 167 MFIs as many cooperatives surrendered their licenses.

DISCUSSION

Sanjay SINHA started the discussion by sharing his perspective on the demand for microfinance in Myanmar and its legal system, level of entrepreneurship and trust in the financial system in comparison to other countries. He agreed with

Luchtenburg that the microfinance sector grew quickly to meet demand when the market opened up. Many institutions did not understand microfinance and focused on simple credit services without answering to the needs of entrepreneurs, rural populations and in particular, the important agricultural sector. He also mentioned access to funding and low capacities at the supervisory and regulatory bodies as key challenges. Capacities for proper loan appraisals at MFIs are also insufficient.

Rommel CARINGAL of VisionFund Myanmar identified additional challenges. He shortly described the development of VisionFund in Myanmar, starting as a development programme providing financial services and evolving into an MFI after 2011. The transition into a formal financial institution was difficult due to unclear regulations, limited capacities and constrained access to funding. On regulation he underlined that rules are often unclear or contradictory. For example, government maximum cap on interest on credit and minimum cap on savings contradict with requirements to be sustainable and service rural areas where large investments are needed. In terms of human resources, current demand for high quality loan officers and other staff far outstrips supply. Big investments are needed to train those who do not have such capacities in order to sustain growth. Lastly, he described how government caps on interest rates and lengthy approval procedures for funding constrain access to funding. Moreover, international investors remain cautious to invest in Myanmar.

Pouget then asked Claude FALGON to explain why Advans invested in Myanmar and what models they employed. He mentioned several conditions to be met before Advans enters a market such as a large underserved population, an acceptable legal framework and a sufficiently large population to allow for a return on investments. In its greenfield model, Advans normally starts by providing MSME credit and collecting deposits in urban areas in order to build infrastructure and capacities, before branching out into rural areas. As they could not use a deposit-driven funding model and were faced with capacity gaps, they developed a low-cost green fielding model focused on simple credit products (e.g. small, short-term loans), with low capacity demands for loan officers to rural clients. This strategy aims to quickly break even before external funding can be attracted to expand into other markets (urban, SMEs). Pouget further mentioned the high reimbursement commitment among lenders in Myanmar but also stressed the low level of professionalism and poor supervision of MFIs in the country.

Luchtenburg continued with interventions of UNCDF in terms of the business enabling environment. Pouget had some concern for a credit bubble in urban markets while rural outreach remains financially unsustainable in the current regulatory environment. Based on a mapping exercise, UNCDF worked on a financial inclusion road map with government to come to a systematic approach to develop the sector. Furthermore, to overcome the lack in local currency funding and affordable hedging options, UNCDF set up a market development facility to provide local currency funding and develop interventions for a more favourable climate for international investors.

Caringal then shared VisionFund's strategy for rural outreach. While 70% of clients are rural, they only represent 20% of the credit portfolio. VisionFund is committed to expand its rural portfolio, taking advantage of best practice models from similar markets like Cambodia and taking a value chain approach to reach scale and reduce risks. There is a strong need for appropriate services by the agricultural sector, such as agricultural insurance. Caringal also pointed to opportunities to leverage the telecom boom in Myanmar by offering mobile banking services. He saw potentially good opportunities to reduce costs and improve outreach in rural areas.

The discussion then turned to the issue of competition and whether consolidation can be expected. Sinha did not see a strong reason for consolidation from the demand side as there is still a large untapped market, but difficulties with raising debt, equity or deposits could lead to some consolidation in practice. Falgon added strong resistance to consolidation among market players.

The panel was then asked to provide further insights into capacity building and possible synergies between interventions. Sinha mentioned an IFC initiative, managed by M-CRIL, to build capacities of MFIs and earlier programmes of the World Bank to train supervisors. He stressed that more regular follow-up is needed to make training effective. Falgon added that training on loan appraisals and MFI systems is the responsibility of individual institutions, but that synergies exist for training in soft skills, or issues such as risk management. Although staff turnover is currently large across the sector, Caringal added, pressure will taper off as more skilled staff is trained, offering strong grounds for capacity building, for example through exposure visits and leadership training.

In conclusion, the panel agreed that Myanmar offers strong opportunities for microfinance investors. Investors need to be in for the long haul and willing to invest in capacity development, infrastructure and systems. Furthermore, patience is needed as the regulator is still learning in terms of developing an appropriate legal framework and building the governance capacities to supervise the sector. Investors need to be willing to develop partnerships to address issues in the business enabling environment.

ASSESSING AND PROMOTING SOCIAL PERFORMANCE IN EUROPE, EXCHANGES AND LESSONS LEARNED FROM THE SOUTH

MODERATOR	**Noémie RENIER**, EIF
SPEAKERS	**Nicolas BLONDEAU**, Inpulse
	Grzegorz GALUSEK, Microfinance Centre (MFC)
	Cécile LAPENU, CERISE
	Alain LEVY, BNP Paribas

PRESENTATIONS

Noémie RENIER kicked off the session by stating that microfinance is recognised as an essential tool for economic growth and social cohesion in Europe. While an estimated 60% of European financial service providers (FSPs) are tracking and monitoring social performance according to EMN Survey, there is no standardised approach evidencing further need for alignment and transparency on social performance management in Europe. The European microfinance sector is a very heterogeneous market with many different business models of microfinance services and providers. The main question of the session was how to standardise the way we measure social performance while addressing the various socio-economic challenges of European markets. Renier introduced the European Investment Fund (EIF); established in 1994. EIF is a specialist provider of risk finance to benefit small-medium enterprises (SMEs) across Europe. EIF's primary goal is to enhance SMEs access. EIF has been active in the microfinance sector since 2000 providing funding, guarantees, and technical assistance. Tracking social performance of FSPs is of utmost importance for EIF which has been developing internal monitoring and reporting systems, more recently in partnership with CERISE.

Cécile LAPENU stated that social performance management (SPM) is beneficial for better impact and better financial performance. She explained briefly the history of CERISE and the creation of social audit tools for MFIs, the SPI, and SPI4 tool, the latter being completely aligned with the Universal Standards, and ALINUS, a tool for investors. EIF has worked with CERISE on the development and implementation of a social performance assessment tool that takes into account the heterogeneity of the European microfinance sector and the fact that the sector is much regulated. The goal is to align to the Universal Standards in social performance assessments while addressing specific socio-economic challenges of European markets and EIF's investment strategy as well as link to the European Code of Good Conduct. CERISE and EIF have created an Excel assessment tool for MFIs to conduct self-assessment via interactive workshops to select the key indicators.

Nicolas BLONDEAU briefly introduced Inpulse, an impact driver fund management company that has been financing social economy, cooperatives and MFIs for more than 20 years. It has two main funds: CoopEst, financing debt and subdebt in Eastern Europe and Caucasus, and CoopMed, financing debt and subdebt in the MENA region. Helenos will be launched in 2017, and will finance equity in Europe and focus on small and emerging financial institutions targeting microentrepreneurs and social enterprises. Inpulse has developed a tailored social performance management tool called SPA, which is based on SPI4 and divided into four categories: social mission, access and outreach, products and services, and staff treatment. SPA is fully integrated in the different phases of investment from due diligence to monitoring and reporting.

Alain LEVY introduced BNP Paribas which is funding MFIs and provides tailored support and technical assistance. They are serving MFIs in both developed markets in Western Europe and emerging economies in the rest of the world. Their microfinance social target is to increase the number of their beneficiaries from 250,000 in 2015 to 350,000 in 2018. Levy explained that they are building a social impact methodology where their entire social portfolio is dispatched in seven social action clusters, with one of them being 'microfinance and support to entrepreneurship'. Their indicators answer the three questions: 1.) Who are the beneficiaries targeted? 2.) What are the achievements of the social business? 3.) What are the results/effects on the beneficiaries? A social impact performance report is published every semester.

Grzegorz GALUSEK introduced Microfinance Centre (MFC), an international microfinance network with 105 members in Europe and Central Asia that has been working on SPM for over 15 years. MFC's work on SPM came as a reaction to the commercialisation of the microfinance sector in the early 2000s. MFC is supporting over 90 MFIs and 30 national associations through its Social Performance Fund to implement and promote SPM by providing technical assistance and trainings on data collection and analysis. According to MFC's experience, typical western MFIs are more socially oriented than their eastern counterparts. Lessons learned from European MFIs is that first of all, interest from regulators and investors on social performance is key to build long-term social performance commitments within the MFIs. He added that coordination among key players to have a common set of social performance standards is important, and that the sector should build on existing experience, tools, and lessons learned.

DISCUSSION

Renier asked Levy whether some social indicators are more or less relevant to the European market. According to Levy, BNP Paribas applies optional indicators when assessing social performance which can be used according to local context in order to improve relevancy. Lapenu mentioned that when assessing FSPs in Europe, CERISE started from the SPI4, although some sections were deemed less relevant to the European market because of prevailing regulation, for example with respect to labour law. Within Europe, FSPs may also be looking at indicators from different perspectives, for example when it comes to portfolio at risk or customer retention. She stressed however that key challenges for the microfinance sector remain the same, regardless of the context. She agreed with Levy that the use of optional indicators, adjusted definitions and indicator weights can help tracking different FSP's profile with a standardized tool. All panellists agreed on the added value of developing a harmonized approach when assessing social performance in Europe, in order to reduce the reporting burden for FSPs while leveraging on the existing technical tool available namely on the Universal Standards.

Renier asked whether investor's tolerance in terms of portfolio quality varies across Europe, looking at impact in social inclusion vs. financial inclusion. Levy highlights indeed the different appreciation of such a concept between emerging and developed markets. Where we observe stronger welfare states such as in Western Europe, FSPs might play a stronger public policy role and hence develop more risk appetite. Yet a subsidized approach might cause market confusion and hamper the development of a sustainable microcredit sector. Galusek agreed that the availability of subsidies relaxes the constraints when it comes to portfolio at risk.

The conversation then shifted to the role of regulators in promoting SPM. According to Lapenu, Universal Standards can help regulators identify key issues. Alan Moore, ILCUF asked whether the increased financial regulation of the sector can impact social inclusion negatively. In some cases, FSPs work with better-off clients because they are pushed to focus more on financial sustainability by regulators, especially after the 2008 financial crisis. Galusek noted that there is an increasing global trend for business and corporations to seek social value in what they do. He is optimistic that social inclusion will be the focus of all regulators. Levy added it is not only up to regulators to promote social performance. All stakeholders have a role to play, especially investors and funders. Lapenu added that the sector should find the right balance of financial protection and social inclusion. A final question from the audience asked how to embed SPM in FSPs that lack a social performance culture. Lapenu stressed the importance of involving board members and senior staff. Galusek added that although there is a learning process, regulation can accelerate culture awareness.

MICROFINANCE, EDUCATION AND CHILD LABOUR

MODERATOR	**Patricia RICHTER**, ILO
SPEAKERS	**Kenneth OKAKWU**, LAPO Microfinance Bank, Nigeria
	Muhammad Tahir WAQAR, National Rural Support Programme (NRSP), Pakistan

PRESENTATIONS

Patricia RICHTER introduced the panellists and started the session by a brief quiz on the knowledge of child labour among participants. She continued the session by giving an international definition and outlining a framework of child labour. She explained that countries need to translate international conventions into national law, which at times falls short of meeting international definitions.

Richter explained five causes for child labour: demand, social norms, costs & quality of education, vulnerability, and income poverty. She then described possible interventions of MFIs for all five causes. These include awareness campaigns to change social norms or financial services to make households less vulnerable for income and expenditure shocks, such as savings, insurance or emergency loans. Richter introduced the Microfinance for Decent Work Action Research Programme of ILO that aimed to measure the impact of decent work innovations on the welfare of microfinance clients, including effects on child labour. Both panellists participated in this programme.

Kenneth OKAKWU explained that LAPO Microfinance Bank joined the programme because a diagnostic study revealed that child labour was very high among its clients. The result was not shocking because LAPO targets mainly poor clients at the bottom of the pyramid where factors that induce child labour are prevalent. He explained that LAPO attempted to combat child labour with three solutions: a child labour awareness programme, educational loans with low interest rate or a combination of these two solutions. Okakwu explained that LAPO could determine the success of these solutions by comparing them with control branches.

Okakwu then presented the results of the programme on child labour: there was great improvement of children returning to school, especially for branches with educational loans. However, the results on child labour were inconclusive. Okakwu explained that awareness will go a long way to improving the incidence of child labour especially among the poor clients and that this would take continuous awareness and a long time. Among LAPO's clients it is still very common for children to join their parents at work.

Muhammad Tahir WAQAR explained that the majority of NRSP's clients are poor, with incidences of child labour. NRSP does not work with the bottom poor where child labour is expected to be even higher. NRSP aimed to reduce child labour incidence and improve social safety nets for its clients by adapting their micro-insurance product for health and death. The coverage for this insurance product was expanded to all of a client's household members. NRSP increased client education on insurance and child labour issues. To compare the results, NRSP also had control branches where no changes were made.

During the programme, the incidence of child labour reduced significantly, but there was no evidence that schooling increased at the same time. This effect was stronger for boys than for girls. Waqar also pointed out that NRSP had found a possible sustainable financial product that reduces child labour and is financially attractive for the MFI.

Richter asked the panellists what post-intervention steps and challenges they identified. Okakwu described that during the project demand for a child savings product increased. LAPO developed a Child Welfare savings product in addition to the educational loans to accommodate this demand. LAPO's saving portfolio improved by 18%. The project identified a gap in financing non-formal learning. To improve this situation, LAPO developed a skill acquisition loan to support tuition fees and start-up packs. LAPO also developed a scholarship for tertiary education.

Okakwu described four main challenges to reduce child labour among LAPO clients that were identified during the project: definition and measurement of child labour, social class and nature of clients' business, monitoring of intervention is limited to loan usage, and cost of funding loans for intervention. He concluded that the combination of an awareness campaign, educational loans and scholarships decreased the incidence of child labour and had a positive result for the MFI.

Waqar explained that NRSP shared the research results with other MFIs and rural support programmes. NRSP also advocated for health insurance products with the government. The Pakistani government launched a similar product nationwide, which was facilitated by NRSP. Waqar warned that the microinsurance product by itself is not a viable business case for an MFI, it needs to be combined with other microfinance products to be sustainable.

DISCUSSION

A member of the audience asked if the panellists found a gender difference in their studies. Waqar answered that the results of the NRSP health microinsurance product were slightly higher among boys, as child labour was also higher for boys. In Hyderabad, education levels are higher among girls than boys. He also stated that their results are biased as many girls still work at home, these forms of child labour are not included in their research. Okakwu explained that in LAPO's research, the effect on child labour was stronger for girls. However, the main reason for this was that over 90% of their clients were women, who involved their daughters in their work.

The audience questioned the panellist on the effectiveness of health microinsurance products to reduce child labour. Will it not increase child labour if parents know that their children are insured for health care? Waqar explained that children are often put to work if their parent falls ill to prevent a loss of income. With the insurance product, there is no need for children to go to work. He also explained that a household in Pakistan does not only exist of one family, but can include several families. By covering all household members, the impact of the health microinsurance product increased.

Another member of the audience asked how the education loans were funded. Okakwu explained LAPO funded the loans, and that the costs are a growing issue. The interest of these loans has increased slightly, but LAPO does not want the interest to increase too much as they want the loan to be available to many clients.

AGRICULTURAL VALUE CHAIN FINANCE AND AGRI-INSURANCE

MODERATOR	**Michael KORTENBUSCH**, BFC
SPEAKERS	**Jonathan AGWE**, IFAD
	Bart DE BRUYNE, FSAS-ICCO Terrafina Microfinance
	Mariel MENSINK, ICCO Terrafina Microfinance
	Patricia RICHTER, ILO

PRESENTATIONS

Michael KORTENBUSCH introduced the panellists of the session organised by the e-MFP Rural Outreach and Innovation Action Group. He asked each panellist to choose a tool from a toolbox he brought along. Patricia RICHTER chose a tape measure because you need to know the impact of a value chain intervention. Bart DE BRUYNE took a Velcro fastener because you need to connect actors in the value chain to make interventions work. Jonathan AGWE picked an adjustable wrench as flexibility is important in value chain finance. Mariel MENSINK chose a clamp as you need to glue value chain development and finance together. Kortenbusch stated that all actors involved in the value chain can benefit from value chain finance, but sharing the benefits between farmers, financial institutions and other actors is key to success. Value chain finance interventions can be processor driven or input supply driven, depending on the character of the value chain.

Mariel Mensink continued by sharing her experiences of working with corporates in value chain finance within the scope of public private partnerships (PPPs) promoted by the Dutch government to strengthen Dutch businesses in the South. These show that finance is critical not only for smallholders but also for other actors in the value chain. Yet finance is often forgotten in the programme design of PPPs. Mensink presented the cases of Heineken and Fairtrade International. In both examples value chain finance turned out to be critical for success. In the case of Heineken, the company hesitantly decided to provide financial services to actors in the value chain, but later realised it was actually pushing out financial service providers that could provide value chain finance to these actors. Fairtrade International is supported by the Triodos Sustainable Trade Fund for its finance needs in the coconut value chain. The fund pre-finances sourcing and processing of coconut milk so that the exporter can fulfil its export contracts. The payment is then guided through the fund which deducts loan repayment and interest payment. This model is however not feasible with smallholders.

Bart De Bruyne presented warehouse receipt lending systems based on his experiences in Mali, Burkina Faso, Rwanda and Burundi. In these systems, securely stored harvest of non-perishable agricultural products with foreseeable price fluctuations are used as collateral for loans. His cases showed considerable advantages for both producers and MFIs, in line with the classic warehouse receipt lending insights. Smallholders have access to credit, can make informed sales decisions and have improved food security as the harvest remains in the village. On the other hand, MFIs can benefit from more secure collateral, better repayment rates and penetrate rural areas more effectively. De Bruyne underlined risk management issues, such as governance fraud, market and conservation risks, and social performance issues. Special attention is needed to make sure that producers also profit from the price speculation. Operational issues are around sound task divisions between actors.

Jonathan Agwe presented the case of value chain finance by hotels with Crop-in-the-Field as collateral to raise appetite for agro insurance in the Seychelles. The

Seychelles economy is dominated by tourism. The sector expressed a need for a larger domestic food production as 95% is imported. However, many smallholders were not able to receive loans, as land tenure is regulated through public leases of 5-10 years. As such, the land could not serve as collateral for smallholders. This led to a state-led intervention aimed to increase local food production. After a revision in hotel classifications, the government obliged 5-star hotels to source 20% of their food locally. At the same time smallholders were clustered to gain scale and the desire to develop innovative inclusive financial products responding to their local needs, inadvertently resulted in smallholder farmers of niche crops, securitizing cash advances from high end 5-star hotels with Crop-in-the-Field. Niche crops like tiger fruit and pawpaw on the farm were used as collateral to access financing from the off-takers. Now that increasing demand for high value perishable local produce is triggered, the next unintended and growing demand is for adequate microinsurance to cover such high value but perishable niche crops, as well as their buyers.

Patricia Richter elaborated on the need for insurance, as was mentioned by other panellists. She presented how you can build scale with insurance products by bundling them with financial and non-financial services. Insurance is in many cases important for the poor as protection against setbacks during production or sales, but can also allow people to access credit for riskier farming activities which would otherwise not be possible.

However, insurance remains a difficult sell to the target group as it may never have any pay-out. As a result, many farmers do not use insurance which undermines efforts to reach sufficient scale. Bundling insurance with other products could solve this issue. Richter then explained several options for bundling across the value chain, such as bundling with agricultural inputs, support services or other financial services. Although there will remain risks in bundling insurance, bundling makes insurance more tangible and can improve value for all actors.

DISCUSSION

The audience noted that the examples presented by Mensink had a top-down approach and questioned whether these approaches can also be bottom-up. Mensink responded that bottom-up approaches are possible, presenting a case of Heineken in Burundi. Another participant asked about the response of actors in the value chain after Heineken announced it would stop providing cheap loans. Mensink responded that Heineken's suppliers accepted the change as they noted that the loan products of Heineken were in fact not much cheaper as those of other financial service providers as the their revenues turned out to be lower.

A participant in the audience mentioned that the dual key warehousing is typical for Western Africa. Other systems with third actor conservators, in his experiences, have not been very positive due to higher storage costs equal to an interest increase of 1-3%. De Bruyne responded that in the presented traditional cases storage costs were about the same, namely between 2% and 4% of the stored value.

The audience questioned the technological challenges linked to insurance in rural areas. Richter explained the basic functioning of weather stations and satellite imaging which are increasingly being used in product costing and claim verification. A final contribution from the audience concluded that value chain finance is focusing on sharing benefits but questioned whether it should also share risks by partly compensating insurance costs. De Bruyne replied that it would be better to focus on risk mitigation at farmer level as forcing MFIs to pay for insurance will only increase loan costs.

MANAGING CLIENT OUTCOMES (PART I)

MODERATOR	**Amelia GREENBERG**, SPTF
SPEAKERS	**Frances SINHA**, EDA Rural Systems / M-CRIL
	Lucia SPAGGIARI, MicroFinanza Rating
	Christophe BOCHATAY, Triple Jump
	Thelma BRENES & Laura GÄRTNER, Oikocredit
	Rodrigo PELAEZ & Stephanie GARCIA VAN GOOL, Fundación Microfinanzas BBVA

PRESENTATION OF NEW RESOURCES

Amelia GREENBERG started the session by introducing the panellists. The session would mainly summarise results from three new publications on outcomes management. It resulted from requests within the Outcomes Working Group for a harmonized list of recommended outcome indicators and guidelines customised for investors and financial service providers (FSPs). The titles of the publications are: *Making the Case for Outcomes Management to Financial Service Providers, Guidelines on Outcomes Management for Financial Service Providers*, both written by Frances Sinha, and *Guidelines on Outcomes Management for Investors*, written by Lucia Spaggiari in collaboration with the e-MFP Social Performance Outcomes Action Group. The Outcomes Working Group has identified recommended indicators in four outcomes areas so far: 1.) Business and entrepreneurship; 2.) Economic poverty, assets and housing; 3.) Resilience and vulnerability; 4.) Health. To be selected for the recommended list, indicators had to meet five criteria: relevant, usable, clear, feasible, and comparable. Greenberg stressed that outcomes management is a multi-step organisational system for the collection, analysis and use of outcomes data. Simply collecting data is not enough! She emphasised the difference between outcomes and impact. Outcomes imply a plausible association, impact implies attribution. Outcome management can improve accountability, increase understanding of whether the systems and strategies that are in place are working, and lead to improvements of what is not working.

Frances SINHA started her presentation with a quote by a social investor that nice stories of change are interesting and good for marketing but not enough for outcomes management. There is a need for more robust ways of providing evidence of client outcomes, and one that avoids a bias to only the success stories. She presented the principles that underline the approach of the *Guidelines on Outcomes Management for Financial Service Providers*; these are to be: lean, credible, affordable, transparent, and open to learning, including acknowledging and learning from less positive outcome findings. She presented the framework of TEN steps for outcomes management, emphasising that the process requires engagement at different levels of an institution, from the board to field staff. This helps to build buy-in, ensures that the approach will be practical, reflecting field realities, so that the data is focussed and likely to contribute to decision making. Social investors can and do increasingly play a supportive technical role. Her presentation gave some examples of the content of the guidelines – relating to selecting the method for data collection, and key tips on analysing data and reporting.

Lucia SPAGGIARI summarised some of the main points of *Guidelines on Outcomes Management for Investors*. She remarked that asset owners, asset managers, and FSPs should contribute resources so that the outcomes management agenda can advance. These are Spaggiari's tips for investors on outcome management: cover smart, there is no need to cover all investees when we can use representative samples. Consolidate the portfolio analysis if possible, keep the analysis at the case study level if not. Do it well enough, do not aim at perfection, but there needs to be data quality control and validation to obtain usable results. Report transparently and converge to emerging industry stand-

ards when possible. Use data for decision making. Unexpected or disappointing outcomes can help you improve your strategy. Improve outcomes by encouraging improvements in investees and re-set expectation so that the promise aligns to what the fund can deliver. Integrate outcomes management within risk management to improve investee's commitment and the use of data in decision-making. Hold yourself accountable to asset owners for outcomes to keep competitive and resilient.

DISCUSSION

The audience questioned the panel as to whether credit officers should be involved in data collection. There have been cases where credit officers were forging data. According to Sinha, field officers should collect data as part of routine operations. However, FSPs should train officers in data collection beforehand and raise awareness that good quality data is important and that field officers will not get in trouble if what they have collected does not show positive outcomes. She added that FSPs should always do quality checks. The use of tablets can facilitate the process and increase cost-effectiveness, while also reducing the burden of data collection. Another question was why financial inclusion is not part of the initial four indicators. Spaggiari explained that financial inclusion is not strictly an outcome; it is an output. Financial inclusion data describe client profiles at a certain point in time. Financial access, however, does not necessarily translate to benefits for clients.

PRESENTATIONS OF CASE STUDIES ON OUTCOME MANAGMENT BY INVESTORS

Rodrigo PELAEZ introduced Fundación Microfinanzas BBVA (BBVAMF), a financial holding that is managing six MFIs in Latin America. Their aim is to address the financial needs of low-income micro-entrepreneurs through responsible productive finance. According to Peláez, outcomes management allows them to connect with the realities of their clients, allowing them to check if they are working in line with their mission. BBVAMF is managing a detailed client database with historical data, which is updated on a quarterly basis. The findings are presented in a yearly report that includes socioeconomic information. BBVAMF classifies their clients into segments of economic vulnerability based on client monthly per capita net income (generated by their microenterprises) and comparing it with local poverty lines. According to the 2015 social performance report, the number of 2011 clients living in poverty and extreme poverty has decreased from 55% to 27% in 2015. According to their findings, BBVAMF is observing positive impact. He added that he would summarise the results of their report in the next session, 'Managing client outcomes, Part II'.

Laura GÄRTNER introduced Oikocredit, a worldwide cooperative and social investor. She noted that better data leads to better decisions. Oikocredit is working on client outcomes management on two levels, on a FSPs level by building FSPs' capacity to measure and monitor client data, and by conducting research at Oikocredit to better understand the changes in clients' lives. Oikocredit is using existing data from the FSPs, such as the Progress out of Poverty Index (PPI), socio-economic, employment and geographic data. They are providing participatory one week workshops to build FSPs' capacity on data analysis. At the end of the workshop the FSP makes an action plan and dashboard based on the data analysis. Internally Oikocredit is doing econometric analysis in collaboration with the International Institute for Social Studies (ISS) at Erasmus University Rotterdam. She added that Oikocredit already published a research paper on 'Effects of Microcredit on the Poverty of Borrowers using the Progress out of Poverty Index: Evidence from Asian MFIs'[1]. The research showed that microfinance loans have a small positive and significant effect on poverty reduction among microcredit borrowers. In the follow up session, "Managing client outcomes Part II", she would present the preliminary results of a second discussion paper which compares the changes in poverty levels between urban and rural borrowers.

Christophe BOCHATAY briefly introduced Triple Jump which manages and advises funds aiming to invest responsibly in developing countries. Triple Jumps focuses on microfinance, agriculture, housing, sustainable energy, and small medium enterprises (SMEs). Triple Jump manages the Dutch Good Growth Fund (DGGF) whose outcome objectives are focused on SME revenue growth and job creation. According to Bochatay, Triple Jump has built an active approach to outcome management by setting outcome targets at fund level, integrating outcomes assessment into investment selection, collecting outcome results from investees, and monitoring and reporting outcomes at the fund level. He added that he would explain this approach at the following session, 'Managing client outcomes, Part II'.

[1] http://www.oikocredit.coop/l/library/download/urn:uuid:927c5e16-dbae-4fee-840a-b14a6617b817/ppi+research+paper+2-12-2015.pdf%20

MANAGING CLIENT OUTCOMES (PART II)

SPEAKERS	**Christophe BOCHATAY**, Triple Jump
	Thelma BRENES & Laura GÄRTNER, Oikocredit
	Stéphanie GARCIA VAN GOOL & Rodrigo PELAEZ, Fundación Microfinanzas BBVA

CASE STUDY 1 - OIKOCREDIT

Laura GÄRTNER noted that Oikocredit believes that better data leads to better decisions. Oikocredit's client outcomes programme is based on two pillars. The first is by building financial service providers' (FSPs') capacity to measure and monitor client data, and the second, by conducting research at Oikocredit to better understand the impact on clients' lives. Oikocredit is working with MFIs that ideally have a minimum of two-year panel data on a representative sample of their clients. It is also important that the MFI is willing to devote staff's time on data monitoring and analysis training. Oikocredit is providing participatory one-week workshops to build MFI's capacity on data analysis. At the end of the workshop the MFI makes an action plan and interactive dashboard based on the data analysis. The dashboard is integrated in reporting and presented to the board and senior management. The goal is to enhance data-driven decision-making within the MFI.

Internally Oikocredit is doing econometric analysis in collaboration with the International Institute for Social Studies (ISS) at Erasmus University Rotterdam. Thelma BRENES discussed the econometric methodology and selected results of the discussion paper: '*Do rural microcredit borrowers fare better in reducing poverty than urban borrowers?*'. Oikocredit wanted to test whether rural borrowers are poorer than those living in urban areas and whether by focusing in rural areas their loans would have a bigger effect. They tested this hypothesis with the use of data from 187,988 borrowers from Philippines and India, spanning more than four years. They used the Progress out of Poverty Index (PPI) as a poverty measurement. Their econometric methodology was propensity score matching using nearest neighbour matching and fixed effects (FE) regression. The research showed that rural borrowers are indeed poorer those living in urban areas, and that rural borrowers experienced stronger poverty reduction over time than their urban counterparts, leading to a narrowing of the rural-urban poverty gap. In fact, the annual rate of change of rural borrowers was 0.5 to 4 points higher than that of urban borrowers. They also found that the urban-rural poverty gap shrank from 7.6 in 2010, to 6.2 in 2014. However, the difference remained significant. According to these results, Brenes argued that targeting rural people is an effective strategy for MFIs seeking higher social returns on their investments. For Oikocredit, that means that rural focus will be maintained and perhaps even strengthened to further reduce poverty in rural areas.

CASE STUDY 2 - BBVAMF

Stéphanie GARCIA VAN GOOL from BBVA Microfinance Foundation (BBVAMF) discussed the results of the Social Performance Report 2015. BBVAMF acknowledges that besides measuring social performance, it also needs to improve results for clients. Social performance management (SPM) is a tool to ensure their mission is integrated into day-to-day business management. She then continued by illustrating how BBVAMF Group (BBVAMFG) is monitoring its client vulnerability over time. As of December 2015, 61% of the clients were women, 47% of the adult clients had at best primary education, 30% lived in rural areas, and 20% were below 30 years old. 57% of BBVAMF's clients are involved in small scale trade. BBVAMFG institutions succeeded in enrolling over 314,000 new clients in 2015 and retained the

focus on low income entrepreneurs; as 87% of these are vulnerable. After two years, 32% of clients classified as poor or extremely poor generated net margins above the poverty line of their respective countries. Micro-enterprises grew 30% in assets, 16% in sales and 16% in net income. Moreover, 55% of BBVAMFG's clients generated 119,214 additional jobs having a positive external impact on local communities. BBVAMFG is offering a diverse range of products. According to pilot studies, client retention is higher for clients holding a combination of savings and credit products. More specifically, for one of the MFIs in the Group, 73% credit clients remain with the MFI after one year, while 91% credit and savings clients remain with the MFIs after 1 one year.

Rodrigo PELAEZ talked about the importance of impact assessment and outcomes measurement within BBVAMFG. According to Peláez, impact assessment and outcome measurement helps them build tools which allow MFIs to create a comprehensive understanding of clients segments, and use the information to build more responsive products, channels and collaboration. Reports are generated quarterly and presented to each MFI's steering committee and board of directors. He emphasised it is important to act on the knowledge provided by the data, to set incentives based on social performance indicators and improve the products and services based on the social performance knowledge.

CASE STUDY 3 – TRIPLE JUMP

Triple Jump is responsible for managing part of the Dutch Good Growth Fund (DGGF) which provides financing for local small-medium enterprises (SMEs) in 69 selected countries through investing in intermediary funds and financial service providers. The DGGF is provided by the Dutch Ministry of Foreign Affairs. The fund's outcome objectives are focused on revenue growth and job creation with a particular focus on the target groups of women, youth, and fragile states. Right from the start of the mandate, the Dutch Ministry of Foreign Affairs has made it part of the funds objective to be able to collect and report detailed outcome information and analysis. According to BOCHATAY, Triple Jump has built an active four-step approach to outcome management by setting outcome targets at fund level, integrating outcomes assessment into investment selection, collecting outcome results from investees, and monitoring and reporting outcomes at the fund level.

Bochatay explained briefly Triple Jump's approach. While setting outcome targets at fund level, Triple Jump had to define the key indicators in collaboration with the Ministry. Those are: outreach, developmental relevance, additionality (to what extent the financial intermediaries are funding those in need), catalysing effect, and revolving character. They segment all investments made into categories with similar characteristics in terms of risk, return, and impact. Then, they make assumptions and set targets for a typical investment in each segment to figure out contribution to targets. The second step is to integrate outcomes assessment into investment selection. During this phase, the expected outcome of each potential investment can be compared to its segment benchmark to inform investment decision and portfolio construction.

After the investment is made, Triple Jump collects the outcome data and produces an annual report on the investee level to evaluate how they evolve. They are currently in the process of developing a more sophisticated reporting system. Bochatay addressed some of the challenges in this step. In some cases, the financial intermediary and the investor have different missions. There is a need to incentivise the financial intermediary to track and report different indicators that serve their mission. Moreover, in the case of financial service providers there are often too many investees to be able to report at investee level. The use of representative samples is important. Last, revenues and profit are usually calculated only at credit appraisals and renewals but not during the course of the loans. Sometimes, there is a need to provide technical assistance. The last phase is to monitor and report outcomes at the fund level. In this step, Triple Jump adds the outcome results of individual investments to see how each one contributes to the total results, and compares results against targets to understand if and where the fund is underperforming.

LONG TERM DEBT FOR LONG TERM IMPACT

MODERATOR	**Myriam NOURI**, Oxus
SPEAKERS	**Pauline ANGOSO**, Proparco
	Priscilla CARPENTER, Crédit Coopératif
	Rajnish DHALL, Micro Housing Finance Corporation Ltd., India
	Kaspar WANSLEBEN, LMDF

PRESENTATIONS

Myriam NOURI kicked off the session by introducing her panel, representing different investors and an MFI, that would approach the challenges and do's and don'ts of long term debt from different perspectives. Nouri underlined the benefits of long-term debt through an example of an Oxus affiliate in Afghanistan. Although working in a tough context, the organisation is the best performing in the network. She stressed access to long term debt refinancing (10 year maturity loans in local currency) played a strong role in this success. In contrast, most microfinance investment vehicles (MIVs) and development finance institutions (DFIs) provide funding with an average maturity of 18 to 24 months. This can impede MFIs in terms of planning, developing a balanced growth strategy and developing products and markets. In the context of the session debt financing with a maturity over 3 years was considered as long-term.

She handed over to Kaspar WANSLEBEN of LMDF to provide insights on the tools, prerequisites and constraints of long term debt finance. He explained how long term debt is a challenge for MIVs due to potential asset liability mismatches: providing long-term debt finance to MFIs while their own investors can divest on shorter notice. He stated that long-term debt can benefit MFIs in terms of institutional stability and development as well as providing better opportunities to develop products. In terms of stability, long-term debt can provide security to MFIs to develop long-term strategies. In terms of institutional development, LMDF provides subordinated debt to NGOs looking to transform into MFIs but face constraints in raising senior debt. In such cases, a long term commitment by the funder is needed and a requirement of the regulator. He mentioned that access to finance is not seen as a risk by MFIs. Many find debt markets sufficiently liquid to base their financing strategy on short term finance at lower rates. More conservative MFIs might prefer to attract long term debt.

In terms of developing products which require longer maturities, LMDF identified the agricultural and education sectors as most interesting. In the case of agriculture, such products can go beyond seasonal crop finance, instead allowing for investments in infrastructure improvements. He also mentioned LMDFs Higher Education Finance Fund which allows MFIs to provide long-term student loans. To support MFIs, it is vital that the funder ensures long-term debt is available when the new product is market ready.

Pauline ANGOSO of Proparco added additional insights into tools for long term debt. She first explained how Proparco's shareholding structure allows it to provide (foreign and local currency) long term financing and engage in long-term partnerships to capacitate clients. Investments are mostly in senior debt or equity. All debt products have maturities over 3 years, with an average of 4-5 years. She demonstrated that funding is not considered a high risk by showing outcomes of the 2016 Banana Skins report. However, risk management, macro-economic risk, and political interference were prioritized by microfinance managers and can be mitigated by the quality of funding.

Although Proparco can provide long-term maturity borrowing, FX risk management and the cost and availability of FX hedging solutions are a constraining factor in practice. For some currencies, cross-currency swaps through TCX or commercial banks are possible at competitive costs but in many other cases local solutions need to be found by the borrower through commercial or central banks – often with gaps in maturity and resulting re-pricing risks. In cases where MFIs operate in dollarized economies or have income in dollars, Proparco needs to ensure the FX risk is not transferred to borrowers through covenants. Finally, she mentioned guarantees to allow MFIs to raise debt locally.

Priscilla CARPENTER shared experiences of Crédit Coopératif, a French cooperative bank. It is involved in microfinance through an investment company managing two funds CoopEst and CoopMed, providing senior (up to 3 years maturity) and subordinated (up to 7 years) loans in euro, US dollar and local currencies when currency risks are hedged. The bank can bring unique expertise to its investees in terms of developing a tailored approach for the social economy and social entrepreneurs.

She then explained the shift from direct fund management to the creation of the management company Inpulse. The first offered high flexibility and a patient investment strategy but as microfinance was not a core activity, the bank's market knowledge was not always broad enough. In contrast, working through a dedicated fund management company ensures the investment committee has the expertise to make sound decisions, for example in terms of maturity and FX risks. However, it has proven difficult to find other investors willing to make long-term commitments above 10 years.

Rajnish DHALL of Micro Housing Finance Corporation provided a demand side perspective. To provide home financing loans to low-income households requires access to long-term debt for his institution. The market in which they operate benefits from good repayment behaviour and asset creation. His organisation has been able to access long term financing by the regulator in India (the National Housing Bank), commercial banks and other financial institutions, benefiting from the particular situation in India where the regulator incentivises commercial banks to finance organisations such as his. On the other hand, he also saw challenges, in terms of the costs of debt, the availability of long term debt for new concepts, and a lack of depth in the long-term debt market.

DISCUSSION

The discussion first focused on impact. According to Wansleben, MFIs need to become aware that access to long-term debt can make their balance sheet more stable. Furthermore, long-term debt allows MFIs to develop appropriate, long term products for niche markets without exposing their organisation to risk. Angoso wondered whether MFIs look at indirect costs of renewing and refinancing short term credit lines. She also stressed how long-term partnerships between funder and MFI can improve impact. Carpenter added that such relationships also allow for innovative solutions to tackle FX exchange risk, for example by agreeing on a higher interest rate in exchange for debt forgiveness when exchange rates cross agreed thresholds. Wansleben stressed the need to come to tailored solutions to share risks and costs which fit local market realities.

When asked about risks of shocks in the housing market, Dhall stressed that his organisation lends against earning capacity even though it can be difficult to assess when income is generated through informal activities. As a key message to the audience, Angoso stressed that it is the responsibility of the funder to ensure their client can manage asset and liability risks. Carpenter added that a long term relationship allows the funder to understand the MFI and help them come to innovative solutions which have impact. Wansleben spoke about the need to diversify different funding options for different needs. Dhall closed by stating that long-term debt can help MFIs target new market segments and reach impact.

THE MANY PATHS TO FINANCING EDUCATION, PART I – IMPLEMENTATION

MODERATOR	**Barbara DREXLER**, Frankfurt School of Finance & Management
SPEAKERS	**Lauren BRANIFF**, CGAP
	Nathan BYRD, Opportunity International
	Rüdiger MEISTER, ADG
	Joyce OWUSU-DABO, Sinapi Aba Savings and Loans Ltd., Ghana

PRESENTATIONS

Barbara DREXLER started the session by polling the audience if they thought it was very risky to provide higher education loans (50% of the audience), tertiary education loans (30%) and loans to secondary schools (10%). She then introduced the panellists and explained that they would provide case studies for these different loan types.

Nathan BYRD presented the results of field research that Opportunity International performed among their clients and education institutions in Africa. They found five reasons why children were dropping out of school: schools were too expensive, not local and require travelling distances, are of low quality or due to a reduced life expectancy of children and their parents. Many of these reasons are economical.

Byrd explained that Opportunity International developed several products as solutions. These included a school fee loan plan; loans for institutions; Edusave, which combines insurance with a savings programme; and a scholarship. He found that the risk for these loans is quite low. Opportunity International's database allowed them to create an algorithm that helped de-risk their products by predicting what the chances are a child drops out of school.

Rüdiger MEISTER explained that ADG took a different approach. ADG trained MFI staff so they could distribute a high number of education loans while ensuring high portfolio quality. Meister explained that ADG wants the MFI to know and understand their clients, products, social responsibility and risk. He presented ADG's flexible training package which includes eight modules, covering social aspects of educational loans, client management and risk management.

Joyce OWUSU-DABO presented the youth development programme from Sinapi Aba Trust in Ghana. She explained that in Ghana informal support is needed for youth between the ages of 15-24 that dropped out of school or did not go to school. In Sinapi Aba's Youth Apprenticeship Programme the poor vulnerable

youth is enabled to choose and learn a trade of economic value and they are supported with informal education for three years. After the programme, they provide the participants with a loan for start-up capital so they can start and grow a business or the apprentices get employed. Consequently, the poor vulnerable youth become financially independent, responsible and able to make informed decisions about their lives, future families, their businesses. The programme is fully sponsored.

Lauren BRANIFF explained how many children drop out of schools because the education expenses are too high, even in a country like Uganda, where primary education is free. She presented several digital finance solutions that can improve access to education. Introducing technology in education can improve school quality. However, access to this technology can be difficult in low-income households. Braniff also presented several digitized payment solutions that help address budget gaps, for example digitising school fee payments or teacher salaries.

Digital Financial Services can improve consistent access to schools because they are flexible, convenient, fast, accessible, confidential and affordable.

DISCUSSION

The moderator asked the panellists how they made educational loans sustainable. Normally if you provide a microfinance loan there is a collateral which you can claim if there is a default on the loan, this is not the case for education loans. Byrd answered that all of Opportunity International products need to be sustainable, scalable and impactful. Educational loans are long-term and have proven to be less risky. He explained that a client survey showed that they spend almost half their income on education. By investing more in their clients with education loans, they become more profitable and have more capacity to pay back the loans.

Meister added that for microfinance products to be sustainable, they need to be profitable. He explained that the MFI needs for education loans are similar to the needs for other microfinance loans: staff needs product knowledge, understand what the customer requires, what their capacity is, how to advise them, and a knowledge of the client's debt. Dabo concluded that education loans are an investment in the future incomes of these children; return on the loans comes later than a microfinance loan for a business.

A member of the audience asked to hear more about how the panellists deal with the quality of education. Byrd explained that improving the quality of institutions cannot be a top-down decision but needs to be decided by the schools themselves. He explained that they cluster schools and then decide where to invest in quality. Schools do a self-assessment to see where training is needed. Combining this quality programme with education loans leads to the best results.

Drexler asked the panellists and the audience if the presented solutions are not taking away the responsibility of the state, which should provide schooling. An audience member asked the panellists to discuss the role of private schools, which is underestimated. Byrd explained that in many developing countries, the state is not unwilling to take up the responsibility of education, but simply unable to do so. The tax base is insufficient for states to provide a systemic solution to education. Private schools do not increase school fees, but need to make a profit. If they improve the quality of the school, they can attract more children and make more money. Dabo added that although it is the responsibility of the state to provide education, it is also the responsibility of the parent to take care of their children. Private schools have better results, when parents enrol their children in private schools with a microfinance solution, the child becomes an asset for the family.

THE MANY PATHS TO FINANCING EDUCATION, PART II – FUNDING

MODERATOR	**Laura HEMRIKA**, Credit Suisse / e-MFP
SPEAKERS	**Ruth DUECK-MBEBA**, The MasterCard Foundation
	Lorna LI, OMTRIX
	Maria Teresa ZAPPIA, BlueOrchard

PRESENTATIONS

Laura HEMRIKA opened the session by stressing the importance of funding to finance education. She then continued introducing the panellists.

Ruth DUECK-MBEBA provided an overview where education finance brings together two worlds: the public sector that is responsible for education and the private sector that offers finance for education private schools. She introduced the MasterCard Foundation, which aims to advance youth learning and promotes financial inclusion to catalyse prosperity in developing countries. She presented the Foundation's six initiatives to achieve this goal. Several of these initiatives focus on education and learning (including a large scholar's programme), innovations in secondary education, and financial inclusion, where next-generation financial services and financing education are being explored. The Foundation focuses its investments on Africa, because of the high financial exclusion in that region, low educational enrolment and literacy and a high number of vulnerable youth.

Dueck-Mbeba highlighted research that shows how education systems often lack relevance and quality, poor households lack resources for education and that there are limited public financial resources for education. She presented several trends and innovations to overcome these systemic issues, such as loans, insurance and digitising education payments. She concluded that demand for financing education is significant and that financing private schools and market approaches can improve education. She also raised the question of public-private partnerships in education: how these two worlds can complement each other is an ongoing dilemma.

Maria Teresa ZAPPIA presented the Regional Education Finance Fund for Africa (REFFA). She explained that they identified a high demand for education finance products from both households and private education providers. REFFA provides loans and technical assistance to financial institutions, which in turn provide loans to private education providers and private households. Zappia discussed that they have a small portfolio in terms of education finance schemes, because it takes time to engage MFIs to invest in this sector in a responsible and sustainable manner. This raises the question, if the need for education finance is so high, why are not more MFIs eager to enter this sector?

The guiding objectives of the fund are expansion of education and to contribute to both the affordability and quality of education. By ensuring good quality education, the fund can mitigate the investment risk. Zappia presented several tools and indicators that REFFA developed to measure quality and affordability of education for schools that REFFA invests in. Quality indicators include education related aspects, as well as social, health and safety aspects. Investees need to measure and report on these indicators.

Lorna LI introduced the Higher Education Finance Fund (HEFF), managed by OMTRIX. She explained that the lack of options to finance the cost of education is the main barrier to meet the high pent-up demand for higher education. HEFF, who provides funding and technical assistance to MFIs in Latin America, believes that these organizations are the best vehicles to channel its student loans program because these organizations have considerable experience with sustainable lending at the bottom of the pyramid, have excellent collection ratios, and have a proven record of accomplishment of successfully introducing new products.

HEFF offers education loans to MFIs so that they can in turn fund student portfolios. Through its Technical Assistance HEFF also supports the MFIs to implement the product. Li explained that the fund focuses on high demand careers, does not replicate public programmes, and ensures sustainability of the loans with competitive funding and insisting that portfolio MFI provide market rates to its clients. She also provided some insights on HEFFs Technical Assistance Facility, which offers services to MFIs, such as market analysis and guidance marketing to youth, and non-financial services to students, such as counselling and seminars.

DISCUSSIONS

Hemrika came to back to Zappia's remark on the low demand for education finance schemes and asked for an explanation. Zappia answered that MFIs in Africa often have different priorities and there is a lot of competition between different ideas. Moreover, the education sector is not as well developed as in other regions, for example in Latin America. She added that good quality MFIs in general have been benefiting from several funding sources; they may not want to commit to a fund with such a specific mandate and potentially onerous monitoring and reporting system. She concluded in saying that the technical assistance to MFIs and capacity building is crucial to get them on board.

Li added that in Latin America the low demand is related to the need of MFIs to be profitable. They see the high social impact of financing education, but also the low margins involved compared to other microfinance products, such as working capital loans. Loan officers themselves are also reluctant to take up education loans if the MFI does not assign incentives. Education loans often take more time and effort than normal capital loans.

Hemrika asked the panellists to share more about the position of the investors in the funds. Zappia explained that it is quite easy to find investors. There is a high demand to invest in education, but still limited opportunities to do so via dedicated funds. She added that to attract new investors with varying risk levels, REFFA is structured in different tranches based on different risk levels and accompanying returns. She explained that it takes time to develop a portfolio, because of their focus on implementing affordable quality education. It helps to have a successful case study to show to investors, for example REFFAs successful school management training programme in the Democratic Republic of the Congo. This programme involved a training of trainers, which they can repeat in other markets. It showed how loans can change the effect of education.

Li added that it indeed takes time to build a portfolio because it is difficult to find investees. She found that few MFIs are really interested in educational finance. Many do not have the resources to move forward in this field. There is also a need for capacity building in MFIs, for example in terms of risk management and marketing towards a new generation.

Hemrika asked the panellists what other barriers need to be removed to move the sector forward. Dueck-Mbeba explained that key issues for the Foundation are innovation, research and having case studies with successful results. She added that in the recent economic downturn, characterized by a long-term period of low rates, a long term view of corporate sustainability is increasingly important. As a result, commercial funds need to be creative to cover these aspects in the long run, especially for education finance. Funders and investments need to segment their clients and markets and adapt their instruments accordingly. Li added that success in the future will depend on the capability of financial institutions to develop and use efficient technologies.

EXPOSURE PROGRAMS: FOSTERING SOUTH – SOUTH KNOWLEDGE EXCHANGE

MODERATOR	**Raluca DUMITRESCU,** MicroEnergy International GmbH
SPEAKERS	**Tesfaye BEFEKADU,** Harbu Microfinance Institution, Ethiopia
	Chris KARAYIL VICTOR, ESAF Microfinance, India
	Martine SANDERS, FMO

PRESENTATIONS

Raluca DUMITRESCU introduced the topic by referring to Sustainable Development Goal (SDG) 7: *Ensure access to affordable, reliable, sustainable and modern energy for all*. SDG 7 has become an emerging investment area in microfinance. Access to energy calls for technological innovation at the household level and this has created an appetite among practitioners for exchange and learning. Essentially, nearly all elements of the SDG definition need to reinforce one-another in order to create massive impact from a social, environmental and economic perspective, resulting in the key components of sustainability: bearable, equitable and viable.

In her own program, Dumitrescu organised visits to Bangladesh to study the advanced take-off of solar heating systems in the lower end of the market. These exposure visits are designed along the following five objectives: learning on the spot (direct contact with stakeholders and target groups); learning by doing (field and household visits); corporate vision (in-depth understanding of mission statement and values of green microfinance programs); potential discovery (identification of business opportunities) and enhancing energy and microfinance networks (cross-sectoral implementation partners). Lastly, green banking is to be recognised as the emerging key lever to stimulate a sustainable economy.

Martine SANDERS of the Dutch development bank FMO explained that the bank has embarked on an ambitious journey to half its footprint and double its impact by 2020. Increased impact will be measured in terms of job creation and ecological progress will be measured in terms of reduction of greenhouse gasses. FMO's vision and mission are now directing its strategy to become the leading impact investor. Its track record traditionally has shown matching results in positive impact and attractive return, based on a three-pronged investment approach: additionality to the market taking a major stake in project risk, allowing other financiers to come aboard; at least 70% of investments directed to low and lower middle

income countries and at least 35% in the 55 poorest countries; and promoting knowledge sharing. The latter is done through technical assistance for clients aiming to become more competitive in a sustainable way, a reference centre in the form of FMOxCHANGE, and broader, sector-wide promotion, learning and exchange activities. The latter included a recent green microfinance study tour by clients from Cambodia and India to Bangladesh.

Chris KARAYIL VICTOR started his presentation by introducing his organisation. ESAF is an Indian microfinance organisation with a track record in three major environmental product lines: solar products, improved cook stoves, and water filters. It was founded in 1992 and has gradually evolved into a triple bottom line organisation, now active in 10 states with 264 branch offices, reaching 1.1 million clients with an aggregated loan volume of USD 356 million. Karayil Victor explained that microfinance that stays directed to promoting savings and borrowings for sustained health improvement is likely the best way to achieve considerable environmental impact in the process; health and environment, thus, go hand-in-hand. He showed how daily health and social challenges directly translate into the design of problem-solving household appliances. It does require a community effort, though, to maximise impact. To that end, ESAF is not only a financial service provider but it provides technical and community support as well. To date well over 145,000 solar units, 75,000 cooking stoves, and 47,000 water filters have been distributed. In addition, 450 biogas units have been installed (producing 490 m^3 biogas per day), leading to a carbon dioxide reduction of 212,000 tons.

Harbu Microfinance (Harbu), represented by Tesfaye BEFEKADU, is a mid-size Ethiopian microfinance organisation that is increasingly specialising in green loans for households and businesses. It is operational in the Oromia and Amhara regions, as well as in Addis Ababa. It has 17 branch offices, reaching almost 38,000 clients with a loan volume of

60.9 million and deposits of more than 25.5 million until June 2016. Just over half of its portfolio is currently outstanding in agriculture, followed by informal trade, services, manufacturing, and consumption. However, green energy lending is planned to play a major role in the near future.

In partnership with other Ethiopian MFIs, namely Buusaa Gonofaa and SFPI, and the organisations Nordic Climate Facility, Gaia Oy, MicroEnergy International and Swan Management – who provide technical and financial assistance - Harbu has developed a green credit line which allows for the financing and delivery of clean energy technologies for households and small businesses. As Befekadu explained, offering finance for clean energy products might be the first step towards developing a green portfolio driven by the high demand across the MFI clients. However, investments for scale-up and replication are needed.

The participation in the Exposure Program in Bangladesh was for him of great benefit from a perspective of learning more about clean energy technologies, socio-economic and environmental impacts and strategies so as to offer more energy options to clients but also in terms of subscribing to the green agenda.

DISCUSSION

The key questions from the floor dealt with the scaling up of green investments by MFIs. How to design more green financial products, how to step up performance, how to ensure that intended impact will be realised? All panellists emphasised the importance of linking and learning for which exchange visits are very useful. Other elements include strengthening of resource centres and partnering with like-minded MFIs, investors and support agencies. It starts, however, with formulating a clear corporate objective which is then put into practice. As one panellist suggested, this may require making a lot of noise but one cannot go green halfway or with a partial commitment only.

The discussion also included a reference to other exchange visits made or under preparation. Often these entail visits from Africa or Southeast Asia to programs in South Asia where, in selected cases, green loans have become mass products already. Scalability may not be as easily pursued elsewhere, but these visits help nonetheless in pushing for innovative local solutions. A suggestion was made to entice national, regional and thematic networks in microfinance to stimulate green thinking and exchange and give more priority to the climate change finance agenda.

FINANCIAL INCLUSION 2.0: HOW MFIS CAN ADAPT TO THE FINTECH AGE

MODERATOR	**Matteo SNIDERO**, Finance in Motion
SPEAKERS	**Lisa NESTOR**, Stellar
	Antonio SEPAROVIC, Oradian
	Jonathan WHITTLE, Quona
	Graham WRIGHT, MicroSave

PRESENTATIONS

Moderator Matteo SNIDERO opened the session by saying that Fintech recently is much in the news for potential risks and disruptions. Referring to news articles like 'The Fintech threat is real', 'Bitcoin: is the crypto-currency doomed?', and 'Fintech: Banking Disruption', he pointed out that the language about Fintech is often hyperbolic and the concepts expressed are often extreme. A panel of experts was hence a welcome idea to remove some of the hype and raise the level of understanding around this topic. Fintech is therefore also one of the 3 main topics of the e-MFP Digital Innovations for Financial Empowerment (DIFE) Action Group. This Action Group (AG) has 60 members with the aim to facilitate and ensure an efficient implementation of digital operations throughout the sector. The AG has generated a number of case studies and organised 3 sessions during the 2016 European Microfinance Week. Snidero urged the speakers in this session on 'How MFIs can adapt' to speak out clearly pro or against the prospect of financial inclusion.

Graham WRIGHT of MicroSave, in his presentation 'Fintech, where are we headed', responded to this theme by saying that 'the unbanked' will require a whole range of digital financial services (DFS), not just credit. MFIs then basically have 5 options, ranging from building their own DFS, through facilitating services to 'wait and see'. The last is in fact not an option, as developments are coming in with the speed and force of a fast train. Smartphones will constitute the next disruption, not only due to changes at provider level, but also changes at customer level, due to easier user interfaces, peripheral devices and lower costs. Wright subsequently showed how smartphone and biometric technologies, as now adopted and promoted through government services in India, are opening up a whole new range of possibilities to connect the poor; the end game appearing as a 'cash-lite' world, enabling cashless business and supply chains. As a result of this initiative, there will be tremendous pressure on the public sector banks to perform, in the end bidding for the right terms and conditions with the poor as consumers of their services.

The next speaker, Jonathan WHITTLE, explained the services provided by Quona as a venture capital firm focused on Fintech for inclusive finance in emerging markets. Sponsored by Accion International and backed by financial institutions, Quona partners with Fintech entrepreneurs, leveraging a global network of industry experts and co-investors. According to their investment thesis, there is a huge underserved population, a massive funding gap for MSMEs, growing purchasing power and accelerating technology adoption. They therefore invest in Fintech game changers for underserved consumers and businesses, through scalable business models with social impacts. Hence they have a dual filter of financial returns and social impact, which they measure against a framework of promoting financial inclusion through improved access for the underserved, a commitment to a high quality of services, and the effect on broader market development. According to Whittle, there are abundant opportunities across all regions.

Antonio SEPAROVIC then highlighted Oradian's core services in the cloud that evolved from re-thinking the sector's approach to technology, features, the future, and geography. This led the organisation to develop a business model that enables microfinance be more efficient and focused on their core business. According to their mission statement they aim to reach 100 million families through financial inclusion, thus impacting 2.5 billion unbanked. If they want change

the current way of business, they have to focus on operational inefficiencies. That implies moving away from decentralised services such as data storage, and focus on integrated services, consolidation of data, and validation of data and systems. They want to grow organically by increasingly adopting more branches, the summary of benefits showing what is in it for the financial institutions and for the sector. So far, they never lost a customer!

Lisa NESTOR introduced Stellar as a new 'Internet for Money'. The Stellar Network operates as an encrypted global payment infrastructure for *every* financial institution. Customers require an internet protocol to connect to the Stellar Network, after which transactions of any amount can be done at the cost of 1/100 of a cent. This block-chain technology will lead to financial inclusion, traceable and transparent, leading to more services like micropayments and loans. There is also a role for 'market-makers', to close deals concerning currency exchanges, and to be hold accountable through keeping ledgers. Stellar considers itself as 'steward of this technology' as an operational non-profit financial institution.

Lisa NESTOR introduced Stellar as a new 'Internet for Money'. The Stellar Network operates as an encrypted global payment infrastructure for *every* financial institution. Customers require an internet protocol to connect to the Stellar Network, after which transactions of any amount can be done at the cost of 1/100 of a cent. This block-chain technology will lead to financial inclusion, traceable and transparent, leading to more services like micropayments and loans. There is also a role for 'market-makers', to close deals concerning currency exchanges, and to be hold accountable through keeping ledgers. Stellar considers itself as 'steward of this technology' as an operational non-profit financial institution.

DISCUSSION

Moderator Snidero pointed to the sophistication of new solutions presented, now challenging the panel and audience to come forward with ideas on how practitioners and MFIs can adopt these in their systems. Separovic stressed the urgent need to 'anchor' these developments well into MFI systems, by applying and creating change. Whittle added that we have now access to data which before were not available, new tools tapping into mobile and transaction data, requiring specialist groups and strategies for architecting new technologies, and perfecting these further to drive efficiency. Wright said to 'hurry up and don't wait', pointing out that only 10% is technology, the rest being operational implementation; he mentioned getting rather tired of the slow response to change. Digital data can be used to base our decisions, in turn creating 'thick data'.

Snidero subsequently asked what priorities there are to be taken. While Whittle argued that some companies are taking a more comprehensive approach in leveraging data, Nestor disagreed: MFIs do not necessarily have to do everything by themselves to find the right solutions, they can create communities such as Stellar, or form broader associations or think-tanks. When asked about the added value of MFIs with respect to financial inclusion, Separovic responded that there is a crucial role for them because of their face-time with customers, next to validating data for better decisions. Wright countered not to over-emphasize and romanticize about the potential of data, as you cannot make decisions based on data alone; you need to build relationships for social inclusion. Nestor confirmed that this would be potentially irresponsible; data should be a means to connect and understand. Whittle brought in the example of red-yellow-green profiles for credit allocation; by buying into technology, customers can improve their profile and use other credit schemes. The other panel members agreed that this indeed helps building understanding, efficiency and serviceability, thus avoiding bit-solutions through bundling services (in the cloud). Clearly, solutions need to be well shared and learned from to ensure financial inclusion.

On the question from the audience regarding the work with the regulators in Nigeria, Separovic replied that these regulators, unlike in some other countries, were actually quite keen to work with them to help resolve problems with MFIs. Wright confirmed that regulators need help to regulate their eco-systems; they are often struggling.

Some final answers to questions from the audience related to the need to have anchored systems in countries in order to transfer money in the case of Stellar, and to Quona developing unified SPIs/KPIs to measure (social) impacts.

SHOULDA, COULDA, WOULDA: LESSONS LEARNED FROM A CURRENCY DEVALUATION CRISIS IN AZERBAIJAN

MODERATOR	**Kevin FRYATT**, Risk management Initiative in Microfinance (RIM)
SPEAKERS	**Jhale HAJIYEVA**, Azerbaijan Micro-finance Association (AMFA)
	Barry FIRTH, VisionFund International
	Rob HANSON, FINCA

PRESENTATIONS

The moderator, Kevin FRYATT, opted for a Q&A style of collective presentation, with Jhale HAJIYEVA focussing on how the manat (AZN) crisis affected the lives and behaviour of borrowers and Barry FIRTH and Rob HANSON sharing the problems faced by international networks and practitioners. This resulted in a rather dynamic presentation which included questions from the audience.

It is important to appreciate some key characteristics of the Azerbaijan microfinance market: some larger MFIs are directly managed by their foreign NGO investors (FINCA and VisionFund), retail lending is predominantly done in USD alongside local manat, and historically local MFIs show very high portfolio quality. Below is a representation of the timeline presented by the panellists.

June – August 2014

- Sharp drop in oil prices (June)
- Negative currency related expectations
- Capital outflow from country
- Sharp depreciation of Russian ruble/ economic sanctions towards Russia

In mid-2014, Azerbaijan started noticing the effects of the continuously dropping oil revenues, which, as in other oil-dependent economies, reduced reserves and put pressure on the local currency. First signs of capital outflow were noticed. This pressure was compounded by the depreciation of the Russian ruble, attributed to sanctions.

September – December 2014

- USD deposit shift
- Turbulence in currency market
- Decreasing CBAR foreign currency reserves
- VisionFund: Freezing of accounts, including safety deposit boxes (October)

Despite repeated reassurances from the Government and Central Bank that the monetary markets were under control, the country was rapidly losing its foreign currency reserves. Insecurity increased. Shopkeepers did not stock up any longer and many small businesses stagnated or even closed down. VisionFund was hit by a freezing of its bank accounts by the authorities following a sector wide review into NGO activities in Azerbaijan. For VisionFund, this resulted in reliance on cash-based operations only (it could only lend out monies as these came in through repayments).

February 2015

- 1st AZN devaluation
- Damage to sustainability of the financial sector & increase in losses
- Further economic activity slowdown
- Depreciation trends of local currency
- VisionFund: Deterioration of quality – almost all USD loans
- VisionFund: Speculations in mass-media about government compensation for USD loans
- FINCA: USD/AZN balanced loan portfolio currency mix implemented

In early 2015, the inevitable happened: the manat had to be devalued against the US dollar and euro with grave results for the microfinance and larger financial sector. Clients who had borrowed already

faced problems in finding dollars to repay their loans and now had to pay much more for the – still scarcely available – dollars. Repayment rates plummeted. All of that in a context where the Central Bank showed little understanding and appreciation of the predicaments of MFIs. The Central Bank was more inclined to discuss means to support defaulting borrowers.

July 2015
- Interest rate cap established by Central Bank
- Receiving AZN payments for USD loans banned by Central Bank
- AZ government recommended renegotiation of client loans

Part of that effort was to cap interest rates on new loans. At the same time, MFIs were not allowed to accept repayment of dollar loans in local currency. Instead, it recommended rescheduling. All of that eroded repayment discipline throughout the sector.

October 2015
- VisionFund: accounts unfrozen

Later in the year, VisionFund managed to have its accounts and safety deposit boxes unfrozen, which helped from a liquidity perspective but did not improve overall performance. Safety deposit boxes held the clients' collateral.

December 2015
- 2nd AZN devaluation
- Further damage to sustainability of the financial sector & increase in losses
- Further economic activity slowdown
- Depreciation trends of local currency

By the end of the year 2015, the situation had worsened in the economy and the financial sector. Pressure on the manat had been building again leading to a second devaluation and further slow-down.

January 2016 – date
- Suspension of lending in banking sector (Jan-Apr)
- Establishment of FMSA and transfer of supervision from Central Bank
- Mass media and MPs call for compensation by government
- Further deterioration of quality throughout all industry
- FMSA banned mortgage loans in USD and increased provision requirements for consumer loans in USD

In the first quarter of this year, all lending was suspended. Supervision of the sector was moved from the Central Bank to the new Financial Market Supervision Authority (FMSA). And as the mass media and politicians called for compensation of loan-loss by the Government, portfolio quality further eroded. Lending by now has resumed again but at low intensity and under stricter rules. Prospects for recovery are slim and some investors have already decided to count their losses and bail out from the country.

DISCUSSION

As indicated above, discussion was stimulated throughout the session. A key point was the necessity for investors and practitioners to hedge or mitigate the currency exchange rate risks to which they are exposed. Even stable markets can become vulnerable. Well-intended government efforts to stabilize the currency and protect borrowers' interest may work out detrimental for financial institutions and their investors.

The panellists put across a notion of shared responsibility in the wake of the crisis as the major avenue for recovery of stressed assets. It is, however, too early to tell if this may bring relief; as yet the dominant picture is one of implosion of what was considered one of the best performing microfinance markets in the world.

The session concluded hedging or other robust risk management policies ought to be put in place in markets where the economy shows little variation and depth. Likewise, MFIs need to get their banking license to mobilize local currency deposits; the future Azerbaijan market may need to rely more heavily on local savings, deposits, and equity. Furthermore, managing loans in multiple currencies may be perceived as client-friendly but it is just passing the risk off to the client as credit risk because when currencies depreciate, clients default on their loans.

10 YEARS OF MIV SURVEYS, RESEARCH AND PRACTICE

MODERATOR	**Sachin S. VANKALAS**, LuxFLAG
SPEAKERS	**Roland DOMINICE**, Symbiotics
	Matthew SOURSOURIAN, CGAP
	Frank STREPPEL, Triodos Investment Management BV

PRESENTATIONS

Sachin S. VANKALAS of LuxFLAG shared his expectations for the session: sharing developments in MIVs, identifying challenges and providing an outlook on the future looking at innovation and reaching impact.

Matthew SOURSOURIAN shared insights from the CGAP funding survey. He showed how funding for financial inclusion grew by USD 3 billion between 2013 and 2015, amounting to USD 33 billion. Public funders continue to dominate, with 72% coming from public sources. The majority of funding is still through debt funding, but he also identified an increase in structured finance. Most funding is directly provided to financial service providers, with a diminishing role of intermediaries. He closed the analysis by showing Europe and Central Asia is still the most funded region but that Sub Saharan Africa has now surpassed Latin America and South Asia.

MIV disclosure guidelines have helped increase transparency and comparability in reporting by MIVs, based on which CGAP has been able to conduct an increasingly insightful and representative survey of MIVs. From 2011 onwards, the survey has been conducted by Symbiotics.

Roland DOMINICE then shared that the survey now covers 95% of MIVs in terms of volume. The industry grew from USD 2 billion in 2006 to USD 11 billion today in 2015. Average growth amounted to 20% over the last 10 years. Early years showed a particularly strong growth, slowing down to a current 15%.

Although many MIVs operate in the market, the importance of large funds (plus USD 250 million assets under management) has grown (62% of total assets). He also showed how debt finance continues to dominate, but that equity funds now account for 10% of the total market size, up from only 3%. In terms of regional focus, strongest growth occurred in the MENA region, although absolute volumes remain low towards that region, with Latin America and Eastern Europe and Central Asia still accounting for the largest shares in total funding. He noted

that the latter showed a decrease in 2015 because of US and EU embargoes of Russia and plummeting oil prices, while South Asia picked up strongly because of a more conducive regulatory environment in India. He then showed Luxembourg as the prime MIV jurisdiction, followed by the Netherlands. Funds registered in both these countries represent today respectively 61% and 21% of all MIV assets. Institutional funding has become the main funding source of these MIVs, accounting for almost 50% of funding. Data on net returns on debt and expenses showed a comparatively stable net return of 3.3% over the last 10 years.

He then turned to indicators which provide information on impact, showing an increase in clients served by MIV-funded MFIs to 24 million. There was an even ratio between rural and urban clients, while the percentage of female borrowers stayed stable at around two thirds of the total number of borrowers. He also showed a stronger focus on environment and client protection among the funded MFIs.

Frank STREPPEL, of Triodos Investment Management, reflected on the evolution in the microfinance industry relating to different expectations, language and tools. A first evolution was from microfinance as a social initiative aimed at poverty alleviation, until the early '90s, to one where it was expected that MFIs became financially sustainable in the late '90s. As a result, the industry became a commercially viable asset class. Strong growth resulted with investors coming in. At the same time, unrealistic expectations of microfinance persisted: solving poverty while offering highly attractive yields to investors. As these expectations became increasingly dispelled, microfinance is now increasingly becoming an integral part of the financial sector as financial inclusion. In this sense, it facilitates other development areas such as education, housing or rural development.

Streppel sees both challenges for MIVs in terms of pressure on yields, increased risks and costs (FX risk, PAR, legislation) and excess liquidity in the market. However, he also identified positive developments in terms of diversification in the product offer, investments in supporting infrastructure and leveraging on ICT developments. For the future he calls for a more effective role of public funders in supporting innovation and more transparency of impacts in terms of employment creation or income improvement. Public funders are too often offering funding sometimes at conditions that do not adequately reflect the risks associated with it, resulting in inadequate realization of development objectives and crowding out private funders.

DISCUSSION

The discussion turned to what a realistic impact is for impact investors. Dominicé stressed impact investors ensure that funding becomes available to innovations or market segments which normally remain unfunded. He also mentioned Symbiotics social charter with financial, environmental and social criteria that guide towards investing for impact, but added that their measurement focuses on outreach, not outcomes in terms of jobs created. Streppel explained Triodos' scoring methodology, looking at risks but also sustainability. He believes in supporting an investee to improve impact, but also mentioned minimum standards before funding can be provided. He also added that as a sector, we still have a way to go in harmonising terms of reporting, auditing, due diligence and governance expectations. Such inefficiencies are eventually paid for by the users of microfinance products.

When asked about the reduction in SME funding in the MIV survey, Streppel focused on the fungibility of money. Is funding really more often for consumption or is it just better reported. Moreover, can we always assume funding SMEs is more effective in terms of reaching impact? He explained that many SMEs are a last resort for people and there is often a lack in entrepreneurship to support growth.

Vankalas then asked the panel to make a closing remark on future developments in the sector. Streppel mentioned the integration of microfinance as an enabler to broader development goals. In this sense he called for practitioners to rethink how funders shape the relation with their investees and remain a value-added partner. Dominicé expected an increase in funds and volumes but also sees a strong development in the supporting industry, such as deal structurers, brokers, liquidity management facilities and research and analysis firms.

7th EUROPEAN MICROFINANCE AWARD CEREMONY

MASTER OF CEREMONIES	**Jürgen Hammer**, Social Performance Task Force / Grameen Crédit Agricole Foundation
SPEAKERS	Welcoming remarks by **Werner Hoyer**, President of the European Investment Bank
	Keynote speech by **Anthony Lake**, Executive Director of UNICEF
	Address by **Romain Schneider**, Luxembourg Minister for Development Cooperation and Humanitarian Affairs
	Address by **Her Royal Highness The Grand Duchess of Luxembourg**, President of the High Jury
	Acceptance speech by the **winner of the 7th European Microfinance Award**

Kashf Foundation was announced as the winner of the 7th European Microfinance Award by Her Royal Highness The Grand Duchess of Luxembourg at the ceremony at the European Investment Bank on 17th November 2016. Kashf was recognised for its support of low cost private schools in Pakistan with a dedicated credit product, coupled with teacher and school management training.

Beginning the ceremony, Werner Hoyer, President of the hosting European Investment Bank, welcomed everyone with a stark message – that on education, we have largely failed. The Millennium Development Goals finished in 2015 (to be replaced by their successor Sustainable Development Goals - SDGs) and missed the target of universal access. In 2013, 59 million children of primary age remained out of school worldwide. 1 in 5 had dropped out. 2 in 5 would never set foot in a school. The SDGs, he said, explicitly recognize that this gap must be closed.

In 2013, there were 757 million people aged 15 and over unable to read or write – two thirds of them women. 1 in 10 girls were out of school (compared to 1 in 12 boys). The poorest quintile are four times more likely to be out of school than those in higher income bands. "Missing by such a large margin is a shame on us", Hoyer said.

And it should be so obvious. "Education is the best investment; there is nothing in the world which benefits [people] more than additional years of schooling". And Luxembourg is at the forefront of this, with various partnerships between the Government and UN bodies, and over € 30 million in the Luxembourg Development Fund, earmarked for this.

Anthony Lake, Executive Director of UNICEF spoke via video message, and echoed Hoyer's theme – that we know about the impact of education but we are not acting sufficiently on what we know. "Shockingly, 130 million illiterate children spend only up to 4 years in school. This means more poverty, an unequal playing field, perpetuating cycles of poverty and disadvantage, and fomenting civil unrest…we cannot make a better world unless we invest in quality education - especially for the most disadvantaged… in low income countries, richer children get 18 times the public investment of poorer areas' children". More government investment, and more innovative investment, is needed, he said.

Moving films documenting the three finalists' education access programs were shown, before Romain Schneider, Luxembourg's Minister for Development Cooperation and Humanitarian Affairs took the stage to detail the various work the ministry is doing. But, he argued, while Awards are important and excellence among the candidates should be recognised, we should not lose sight of who really we are focusing on. "We already have a winner tonight – the children and adults who have better access as a result of these projects, and those of all the other worthy applicants".

Minister Schneider welcomed Her Royal Highness The Grand Duchess on stage who described how she was honoured to be invited to again chair the High Jury, and how important the role of microfinance can be in driving education access. There remains much to be done in working to achieve the SDGs, she said, and that while enrolment has gone up globally, and illiteracy has declined, there are quality issues, including with the plethora of often-underfunded private schools around the world. "But I am confident that inclusive finance has the way forward, and education and microfinance is an important partnership for peace".

With the announcement of Kashf Foundation of Pakistan as the winner, Her Royal Highness invited the institution's Founder and Managing Director Ms. Roshaneh Zafar on stage to accept the Award. Ms. Zafar said that especially in Pakistan, with its entrenched cultural patriarchy, education can be a huge equaliser. A woman who is earning money is 45 times more likely to send her children to school, and education plays an enormous role in reducing the prevalence of forced and child marriages. So education access, especially for girls and young women, is a key part of the organisation's mission. Kashf has "a special commitment to ensure all women and girls have every opportunity to develop their innate potential… and become leaders of tomorrow".

Edgardo Pérez, General Manager, Fundación Génesis Empresarial and John Robert Okware, Chief Relationship Officer, Opportunity Bank Uganda Limited then joined her on the stage to receive finalists' certificates.

FRIDAY 18 NOVEMBER 2016

PLENARY:
MICROFINANCE AND HOUSING – ONE BRICK AT THE TIME

MODERATOR	**Daniel ROZAS**, e-MFP
SPEAKERS	**Mark VAN DOESBURGH**, Triple Jump
	Rajnish DHALL, Micro Housing Finance Corporation Ltd., India
	Patrick MCALLISTER, Habitat for Humanity

PRESENTATION

Moderator ROZAS gave an inspiring presentation on the need to do more work on affordable housing as two-thirds of the world's population live in a substandard shelter. At the same time, 20% of microfinance loans are already directed to housing. Using an income stratification model developed by Habitat for Humanity, he explained that home improvement loans are particularly popular in the lower segments of the pyramid whereas mortgages have found their way in the upper-middle segments.

Another characteristic is that home improvement often shows an incremental pattern. Homeowners improve and expand their houses step-by-step, in line with the expansion of the family as well as income fluctuations. According to Habitat for Humanity, around 70% of all the world's poor follow this incremental approach. In some countries such as Tanzania and Philippines, this is even close to 100%. While home improvement is capital-intensive and thus competes with other investment needs, it is good to be reminded that many small homes often function as income generating places, ranging from small shop, to repair workshop to home gardening. Lastly, home improvement has a significant impact on health, especially on child cognitive development and adult health and happiness.

Rajnish DHALL, representing India's Micro Housing Finance Corporation, has pioneered the introduction of mortgages in the microfinance market. His average mortgage loans are about USD 6,500 and have a 12 years' tenure. It is very popular for the construction of basic apartments in urban centres. While home improvement loans are the best product for incremental expansion and improvement, in dense urban settings the demand is more developed for mortgages, especially in the form of cooperative style building of apartment blocks that require consecutive forms of capital inflow: first for land procurement, then for building and then for refinancing by the buyers through mortgages. Cooperation between future tenants helps to reduce construction costs and makes the small apartments affordable to many.

Patrick MCALLISTER of Habitat for Humanity emphasized that there is an increasing need for improved shelter in the next decades. Since only a small proportion of the poor can rely on socialized housing or charities, most of these people will go to the market for their shelter needs. Therefore, financial institutions have to invest in low-income housing, but face many constraints. To answer this need, Habitat for Humanity started the Microbuild fund to help microfinance institutions expand lending to low income families with a need for improved shelter.

Mark VAN DOESBURGH of Dutch investor Triple Jump and manager of Habitat for Humanity's MicroBuild fund introduced the fund. The key feature of MicroBuild is

a holistic approach to building and home improvement which combines finance with diverse forms of technical assistance and support. To date, Triple Jump has financed 33 MFIs through the MicroBuild fund resulting in 60,000 loans to low income families, with an overall volume of USD 48 million. This represents just under 50% of all the funds Triple Jump earmarked for housing loans, which, in turn, represents 13% of its assets.

DISCUSSION

Whereas both mortgage and home improvement may at face value service different segments, success in both cases depends to some extent on adequate technical assistance, especially when construction work is the core activity for which finance is sought. In general, this calls for the integration of technical assistance and finance, especially for larger building initiatives, so as to reduce project risk.

Some participants voiced concerns if the building of apartments is not leading to mission drift in the microfinance sector, which resulted in animated discussions. On the one hand, one might argue that the capital intensive nature of mortgages reduces the availability of capital for other loans and products in the microfinance market and pushes operations away from the lowest segments of the population. On the other hand, education, health and shelter are basic prerequisites for living a decent life and if the sector can contribute to offering solutions in all three areas, it contributes to the quality of life which surely is not mission drift. Moreover, as Rajnish Dhall, explained, building vertically may be the only option available to keep housing affordable in high-density areas, thus preserving livelihoods. In addition, most of the capital applied by MHFC for financing mortgage loans is sourced from commercial banks and investors and not competing with donor or impact investor funds.

Whereas the moderator called for innovative ideas to make more capital available for housing finance, some in the audience pointed out that most home improvements were financed by savings in many countries. As house improvement is incremental, so is the application of financial resources. If people have a windfall, they may use savings or deposits to invest in building materials such as bricks, cement, tiles, and frames. Only to finalize on-going home improvement work, they may apply for loans. In that sense, much more capital is flowing into housing than is suggested by MFI's housing portfolios. Moreover, in many countries, it would appear that specialized finance companies such as building societies and housing SACCOs have the edge over MFIs which traditionally have not been associated with housing loans.

FINANCIAL INCLUSION FOR REFUGEES

MODERATOR	**Edvardas BUMSTEINAS**, EIB
SPEAKERS	**Joscha ALBERT**, GIZ
	Niclaus BERGMANN, Sparkassenstiftung für internationale Kooperation (SBFIC)
	Alia FARHAT, Al Majmoua, Lebanon
	Amelia GREENBERG, SPTF

PRESENTATIONS

Edvardas BUMSTEINAS explained that the panellists would look back on the developments in the field of financial inclusions for refugees, which was an important subtopic of the European Microfinance Award 2015: Microfinance in Post-Disaster, Post-Conflict and Fragile States. He then introduced the four panellists.

Amelia GREENBERG introduced the Social Performance Task Force (SPTF), which has worked with the UNHCR since 2015. She presented several causes for financial exclusion of refugees by financial service providers (FSPs) based on research by SPTF. These include legal, political and regulatory barriers, and lack of information by FSPs that fuels the misperception that refugees are high risk clients.

Greenberg presented several key findings of research on refugees which showed that refugees are not riskier to FSPs than other clients and have similar needs for microfinance products. Non-financial services are particularly important with refugee clients, however, as a channel through which to make contact and build trust, as well as to build skills. The research also showed that almost all refugees have access to technology. Greenberg also highlighted three main obstacles for financial inclusion of refugees as discussed in the workshop session which took place on the EMW Action Day: information gap between the refugees and the financial institution, a hostile attitude towards refugees, and the legal or regulatory environment. She also discussed several solutions, such as active awareness raising and advocacy, as well as leveraging refugee-run organisations.

Joscha ALBERT presented a case study of GIZ in Jordan. In Jordan, there are over 650,000 Syrian refugees, which are not allowed to open a bank account, but can open mobile wallets. Remittances make up an increasing share of Jordan's GDP since the conflict in Syria. However, only 25% of Jordanian adults have a bank account and only 2% of all payments are done electronically. At the same time, most Jordanian people and Syrian refugees own a mobile phone. Albert explained that GIZ's project Digi#ances was set up to support the Central Bank of Jordan to build on the existing technical infrastructure and regulatory framework conditions to improve access to remittances and other financial services through digital solutions. This project targets both Syrian refugees and Jordanians with no or only limited access to financial services.

Digi#ances started with a research phase in January 2016, looking into the needs and demand of the target group, as well as the supply side and regulatory barriers. GIZ advises the Central Bank of Jordan on developing and implementing appropriate regulation for digital cross-border remittances. A pilot supports the development and use of digital money transfers within Jordan. The project also provides trainings and raises awareness to improve financial literacy and the use of digital financial services.

Niclaus BERGMANN started his presentation with a background on the Savings Bank Foundation for International Cooperation (SBFIC), founded by the German Sparkassen (Savings Banks). SBFIC is a non-profit organisation that promotes financial inclusion in developing countries. Sparkassen in Germany have a public mandate: to serve everybody. He explained that when 800,000 refugees arrived in Germany in 2015, these people needed a bank account to receive public benefits. Of these refugees, about 75% opened an account at a local Sparkassen.

This resulted in several challenges for the Sparkassen, such as language barriers, lack of financial and technological literacy and dissatisfaction of existing

customers (due to long waiting times). As refugees often change location within Germany, they even need to open a second Sparkassen account after they move, because these accounts cannot be transferred. Moreover, it was difficult to cope with bank regulations to open these accounts, as refugees did not have an identification documents or proper registration. Bergmann stressed that the Sparkassen needed to accept this situation. He presented several solutions, such as close cooperation with local authorities and NGOs, information leaflets in various languages and branches that were dedicated to refugees specifically.

Alia FARHAT reacted on the presentations of the other panellists from her experience on working with Syrian refugees in Lebanon. Farhat reiterated the information gap that Greenberg mentioned in working with refugees and that non-financial services are crucial. She added that although ultimately products for refugees and other MFI clients should be the same, at first new refugees are riskier than normal MFI clients simply because of the lack of credit history available. She valued the public mandate of the Sparkassen to serve everybody. In Lebanon, refugees are also not allowed to open a bank account.

Farhat also shared some key developments of Al Majmoua, the Lebanese Association for Development. She explained that since its pilot in 2015, Al Majmoua vastly expanded its client base of Syrian refugees. She added that they needed to get Al Majmoua staff and clients on board to start working with the refugees. The main challenge in Lebanon is dealing with the government. The Lebanese government has a cautious attitude towards livelihoods initiative delivered to the Syrian refugees because of the fear it would encourage them to stay permanently in the country. The government also uses regulations to prevent these refugees from working except in agriculture, construction and environment. As per the UNCHR, around one-third of refugees would ultimately stay in the host country.

DISCUSSIONS

Farhat argued that the vast number of new accounts for refugees could be a viable business case for Sparkassen. Bergmann explained that this was not the case. Incomes for these accounts are limited, while the costs are much higher due to the challenges in opening accounts for refugees and keeping track of dormant accounts after refugees moved. He explained that as a public institution, Sparkassen are not maximising their profits. When Sparkassen make profits, as they usually do, they use this to strengthen their capital and invest in social purposes serving refugees is an example for this.

The moderator asked what GIZ wants to put on the agenda of the Germany's G20 presidency. Albert mentioned that financial inclusion of both refugees and internally displaced persons is an important topic, with a focus on women and youth. He confirmed that there is an information gap and that putting this topic on the agenda could help close this gap. However, Albert was not able to provide any information about the upcoming G20 priorities. Greenberg added that although there is an information gap in working with refugees, she believes that there is someone who does have at least some of the information that the rest of us are seeking. Some organisations have been working with refugees for over 10 years. All of us would benefit from a better understanding of who is already working with refugees and what they have learned, so we can use that knowledge as a foundation for the design of our own initiatives.

A member of the audience explained that he was a refugee in the Netherlands 42 years ago. He commented that governments in Jordan and Lebanon are afraid because they already have so many refugees. As in many countries in the Middle East, they have both temporary refugees from other countries and internally displaced persons within the countries. It often depends on a country's political or economic situation whether they take in refugees from other countries. He added that in the Netherlands, refugees have the opportunity to become permanent residents. Bergmann responded that how countries deal with refugees depends on how they see refugees, as permanent or not? Most refugees in Europe do not want to go back, therefore integration must start immediately. The moderator concluded that regulations play a big role in this integration process.

DATA DRIVEN MICROFINANCE: SMALL BITS, BIG DATA

MODERATOR	**Philippe BREUL**, PHB Development
SPEAKERS	**Yasser EL JASOULI SIDI**, MFI Insight Analytics
	Alexis LEBEL, OpenCBS
	Etienne MOTTET, BFC
	Simon PRIOLLAUD, Inbox

PRESENTATIONS

Moderator Philippe BREUL opened by explaining the objectives of the session: explain big data techniques in the context of financial inclusion, learn how big data techniques are used in practice and identify what the benefits of big data are for both financial service providers and customers. He explained how big data techniques can contribute to financial inclusion by creating impact to one of six value proposition dimensions: Branding, customer care, convenience, executional excellence, products and services, and value for money. He then introduced how the speakers would each focus on different value propositions dimensions in their presentations.

Etienne MOTTET, innovation analyst at Business and Finance Consulting, presented two case studies to answer the question whether we actually need to mine big data in microfinance. In both case studies the challenge was to get the best yield and profit from the companies' agricultural lands. However, the data used was quite different. He first presented the case of Al Rawafed Serbia. This was a large scale and highly mechanised company. The choice was made to first invest in better intelligence, such as sensor, GPS and tractor fleet guidance tools. With these technologies, data was collected and analysed allowing tractor fleet optimization and configuration of input usage automation. The company benefited by saving 15% on inputs, increasing income by 20% , and from better cost control and improved soil management.

The second case concerned Tylek from Kyrgyzstan: a small-sized company which had to consider a new type of crop to maximise agricultural outputs and profit. During data collection it became apparent that the local sugar factory had under capacity. After careful analysis, beetroot seemed to have good opportunities for Tylek so they applied for a loan which they received after careful testing by the agro expert. At the regional level, it has resulted in one beetroot processing factory working at maximum capacity and a second being operational in 2017. When comparing the two case studies, more could have been done with big data in the second case, but the choice was made to leverage existing data in order to keep the project manageable for the small company.

Alexis LEBEL, CEO at OpenCBS, showed the case of Agora Microfinance Zambia, an MFI with 12,000 clients, 70% of which live in rural areas. OpenCBS designed a data collection system for this MFI and digitalized their appraisal process based on its own free Core Banking System (CBS). The system speeds up the on-site collection of information as well as loan appraisal as it can be done paperless if there is a mobile network available. The system is customisable to the client's appraisal procedures and can provide instant SMS notifications.

Yasser EL JASOULI SIDI of MFI Insight Analytics presented how he introduced a customer management system in a previously manual process to improve and accelerate decision-making processes to provide credit. The system can make a credit assessment using financial data and alternative data consisting of mobile data, credit bureau data, utilities rent data and social media data. The system provides a maximum loan size and advises the loan officer which products to offer to the client. The credit scoring tool assists in analysing the assets in order to eliminate borrowers that are not credit worthy and therefore may affect portfolio delinquency and default probability. In the case presented, delinquency went down 50%, probability default rate decreased with 30% and manual credit assessments decreased by

20%. The customer management system has allowed an increase in caseload per officer of 134% and a decrease in time used for the loan decision-making process from 72 hours to 6 hours.

Simon PRIOLLAUD, Lead DFS Consultant at Inbox, shared his lessons learned on customer segmentation based on his experiences in Africa. In many cases, Finance Institutions think they have a clear understanding of their portfolio but often they only understand "some" of their clients and not the big picture. If they want to serve clients better, they should start auditing their management information system (MIS) in order to segment clients and use this information to distribute Digital Financial Services accurately. Priollaud concluded by providing some key lessons from his experiences. Most MFIs probably already have the data needed to conduct a segmentation but need to take time to assess their MIS. Furthermore, he recommends to start small as soon as possible and to go step by step for these complex projects.

DISCUSSION

A participant in the audience noted that data is already available in most cases but not well organised. How can organisations improve this issue? Mottet suggested to keep it simple at first and increase the use of data from that starting point. Breul stressed that it is important to start with having the process of data collection, analysis and decision/making in place so that you can build your MIS to support that continuous process.

Another participant mentioned that big data is often perceived as disruptive, whereas the case of Mottet presented a more gradual transition path. The participant asked if Mottet had also experienced disruptions. Mottet replied that in most cases you have to start with small improvements in data collection or else the project is doomed to fail as companies no longer feel they are in control.

A member from the audience also asked Lebel who owns the data collected in his open source Core Banking System. He replied that MFIs using the applications are owners of the information. Information is not distributed or disclosed to other actors in the value chain. On a similar note, El Jasouli Sidi explained to the audience how to ensure ethical use when collecting data on social media. He mentioned that this data is carefully weighed by an algorithm.

Another question raised by the audience related to the usefulness of micro segmenting. Priollaud advised MFIs to keep segmentation "simple" at first. If you make it too complicated (and do not have adequate resources), the segmentation could turn obsolete before segmentation goes live.

INSURANCE: TURNING A CHALLENGE INTO AN OPPORTUNITY

MODERATOR	**Laura HEMRIKA**, Credit Suisse / e-MFP
SPEAKERS	**Mary Ellen ISKENDERIAN**, Women's World Banking
	Stewart McCULLOCH, VisionFund International
	Mario WILHELM, Swiss Re

PRESENTATIONS

Laura HEMRIKA opened this session by asking the audience what are the primary reasons for providing microinsurance to clients. Most popular answers were: Insurance is needed for risk management at client or portfolio level, because MFIs feel clients should have access, followed by clients simply ask for it. According to the audience the biggest challenges with insurance products targeting the base of the pyramid are lack of product understanding by clients and staff, and products' cost.

According to Mario WILHELM, global natural catastrophe losses totalled USD 2 trillion over the last decade, with only 30% of that figure being insured. The differences between developed and developing countries are quite significant. For example, the 2011 earthquake in New Zealand led to losses equal to 10% of GDP, but with 80% of those being insured. On the contrary, the 2011 floods in Thailand were equal to 9% of GDP but only 33% of those were insured.

Wilhelm highlighted there is currently a great dynamic on multilateral and multinational level for promoting insurance. Rating agencies are now factoring net exposure to disaster risks on the country rating profile. Moreover, during the Paris 2015 UN Climate Change Conference, G7 countries agreed on an initiative on climate risk insurance aiming to increase the number of people covered by this kind of insurance by 400 million by 2020. He added that there is no lack of funding, but lack of projects.

Wilhelm stressed that in order to turn the challenge into an opportunity we need to understand the risk of both the MFI and the risk of their clients, quantify it, and then develop risk management and insurance strategies. There is also the opportunity to expand loan-book through risk transfer. For example, by protecting the loan portfolio of farmers against agricultural risk we can de-risk the portfolio by transferring it into the insurance market and expand it to agricultural lending. He emphasised that there is huge potential that has not been tapped. Additionally, there is the opportunity to create fee-based revenue stream for the MFIs through insurance. 30% of the insurance revenue in Europe is being generated through the bank channel. The microfinance sector can do the same to create a non-interest, commission-based revenue for MFIs.

Mary Ellen ISKENDERIAN talked about Women's World Banking (WWB) private health microinsurance 'Caregiver' in Jordan. The Caregiver product was mandatory for all Microfund for Women (MFW) clients as a condition of access to credit. The microinsurance included pre-existing conditions, limited paperwork, offered a fixed amount of cash per day in hospital, and included maternal health. According to Iskenderian, the success of the product relies on the 'gap' coverage. For many clients of microfinance, direct healthcare costs are neither the only nor the largest financial burden. When clients or members of their family are in hospital, they lose income as they need to suspend business operations. This loss of income results in clients selling productive assets for cash. Other indirect healthcare costs include transportation or food items. Iskenderian added that another parameter for the success and uptake of the microinsurance product was the decision to include maternity coverage as clients felt their needs were understood.

According to Stewart McCULLOCH, we need to start thinking about insurance differently. There are many great insurance products. The problem is demand. People and the microfinance industry think of insurance as a cost which is usually measured as a percentage of a loan value. VisionFund's strategy is largely focused on poverty graduation. They believe in improving stability by reducing fragility. He remarked that the best products for smoothing consumption and income

volatility are loans and savings. Insurance can be bundled with loans and change the 'risk-reward' equation to transform risk and investment decisions.

McCulloch gave some examples of VisionFund's products. He talked about the 'Group Hybrid Multi-Peril Crop Insurance'. In this scheme, farmers receive a loan to make investments in land preparation and crop care. They also receive a yield guarantee insurance based on the group's expected harvest. The yield is insured by a multi-peril crop insurance. Agronomists are present during germination, flowering and harvest. The success and uptake of this scheme is largely based on the fact that the insurance is not presented as a percentage of a loan, but as an input, exactly like seeds and fertilisers, while the advice by agronomists and the advanced farming techniques are reducing risk.

DISCUSSION

Hemrika asked the panel about the main hurdle for scaling microinsurance products. Iskenderian noted that scale is tied to digital delivery but so far digital has meant high premiums or not particularly well thought-through products. There is an opportunity in digital because it can increase cost-effectiveness. Wilhelm agreed that technology is key. For an insurance scheme to be viable and sustainable there is a minimum of 50,000 to 200,000 clients required. Success in the pilot phase only indicates proof of concept. But if you cannot reach that many clients in the scaling-up phase, you will not be able to sustain the program. McCulloch emphasised the importance of educating and making MFIs' management and staff aware that insurance is not a cost to their organisation or their clients. Iskenderian added that insurers should change the belief that fraud in lower income segments is going to be larger. She noted that evidence has proved otherwise.

A question addressed Wilhelm's earlier comment on the minimum client requirement. A 50,000 client minimum is a difficult target for a smaller MFI. McCulloch emphasised there is need for collaborations to reach that level. Insurance has a highly collaborative approach as an industry. The microfinance sector should start discussing collaborative one-product approaches if we want to achieve scalability. Wilhelm added that insurance only works when you have large groups of clients and companies to increase risk pooling and avoid adverse selection and moral hazard. In developed markets, insurance companies aggregate their risks and transfer them on a global level. Why not do that in the microfinance sector as well? A question from the audience was about the importance of profitability in such collaborative approaches. Iskenderian mentioned that if the insurance product is not profitable for the private partner when the subsidy and grant money runs out, it will not be sustainable.

The discussion then shifted to the importance of making insurance products mandatory to achieve uptake and scalability. According to Iskenderian, all MFW microinsurance products have been bundled together with loans and insurance is mandatory for having access to financial services. She noted that educating clients and MFIs on the importance of insurance is also key. Wilhelm added that insurance products, apart from being affordable, should cover all other costs that are associated with healthcare. Products should not only cover healthcare treatment costs, in fact, in some countries treatment may be free. It is important to cover transportation costs, cost for purchasing food items, or cash to compensate for loss of income due to hospitalisation. Moreover, in countries where microfinance is not very developed, there is need for finding alternative channels of delivery to increase scalability.

SECURING THE FUTURE THROUGH RESPONSIBLE EXITS

MODERATOR	**Anne CONTRERAS**, Arendt & Medernach / e-MFP
SPEAKERS	**Hermann BEYTHAN**, Linklaters
	Vicki ESCARRA, Opportunity International
	Alex SILVA, OMTRIX

PRESENTATION

Anne CONTRERAS, kicked off the session with the key challenge of responsible investors when exiting: how to ensure continuity in the MFIs mission? 50% of impact investors mention exits as their main concern. There is some track record, but many more exits coming up, with 30 MIVs to close before 2020. Best practices are needed for these exits to be handled responsibly.

Alex SILVA, founder and managing partner of OMTRIX started by trying to define what makes an exit responsible. Practitioners should first revisit their reasons for entering, what market failure did they try to address? If they find that this failure has been resolved, for example by identifying that more commercial competitors appear or customers are overleveraged, impact investors should consider exiting. Other reasons can be a change in organizational strategy; changes in the enabling environment making continued involvement unattractive, costly or too risky; and financial limitations. He stressed that no exit is perfect. It is not a purely financial decision but about finding a balance in the double bottom line. Who is affected, and in what way? Do clients have sufficient time to adjust? How are stakeholders such as staff and co-investors affected? Are there financial or reputational implications? Ideally, exits should already be planned when entering the market, considering different exit scenarios, and remain part of strategic reviews.

Silva provided several examples of exits. Key lessons learned included planning ahead, identifying like-minded investors to step in, clear agreements, time-lines which ensure continuity, and considering whether locked-in investments and capacities can be used more effectively in other areas. Lessons on what not to do included selling to buyers who can damage the institution's reputation, or selling for a purely economic motivation.

Hermann BEYTHAN of Linklaters approached exits from the legal perspective of investment funds. Fund managers need to consider what happens when the fund sells an investment or the fund reaches its term or an investor exits. Also, what unforeseen circumstances should be accounted for in contracts and agreements? He considered three exit scenarios. In case of disinvestment managers can include clauses against mission drift in contractual agreements, but should be aware that enforcement after disinvestment might not be possible or desired. In case of exiting investors, managers need to consider whether the fund can continue without the investor, for example in case of investors bringing in key networks or capacities. The exit also needs to be structured, e.g. in terms of selling off assets and determining prices of non-liquid assets when selling is not desired or possible. Conflicts are likely to arise, in particular in case of over-pricing (hurting remaining investors) or under-pricing (hurting exiting investors). Finally, he considered fund termination. In case of funds reaching maturity, managers need to consider whether the mission is accomplished and whether an extension is desirable. In case of funds without a fixed duration, careful management is required and a balance needs to be found between the obligation of the liquidation to obtain the best results for the investors (notably maximum returns for investors) and the impact goal (adhering to the objectives of the fund). As a way forward he suggested that, like banks, funds should have a living testament on how they can wind down. He also stressed that in the end, legal constructs - while necessary and helpful – cannot replace the integrity and good faith of the people behind the agreements.

Vicki ESCARRA, Global CEO of Opportunity International USA, shared insights of the exit of Opportunity from nine financial institutions in Africa. Opportunity became active in the region to address the lack of financial services to the bot-

tom of the pyramid. A combination of increased commercial activity in the sector and an increasing pressure on Opportunity's financial and managerial resources to operate the banks led to a decision to divest. Opportunity's strategy went beyond getting the best price, and looked at selling to a partner furthering its legacy of affordable banking to the poor, but also offering innovative and technical solutions to further increase outreach and impact. She described the process of partnering with MyBucks, which next to building relationships and ensuring mission compatibility at management level, also focused on ensuring the ability of the organisations to work together at other levels.

Escarra also provided insights into the 15-year licensing agreement with clear commitments to continue serving the current portfolio, SMART certification of the banks, adherence to SPM standards, and the position of Opportunity in MyBuck's Board and Credit Risk Committee.

She explained how the partnership enables Opportunity to serve more people, for example by setting up NGOs to work alongside the banks on farmer training and assistance, education and financial literacy. She also shared first successes from the partnership, such as a large reduction in loan approval time, and an increase in the number of clients.

DISCUSSION

The discussion started around (legal) recourse if objectives are not achieved. Escarra stressed the need to build strong partnership based on shared values. Beythan added that agreements need to set objective measurable indicators for success. Moreover, recourse depends on the availability of a strong legal system. Finally he stressed the risk of reputational damage in ensuring adherence to agreements. Silva referred to the CGAP Publication on exits "The Art of the Responsible Exit in Microfinance Equity Sales", stressing that exits are an art, not a science with clear pathways to follow.

In terms of managing the process, Escarra focused on two aspects. Regarding the bidding process she stressed the need for transparency about the properties, to allow sufficient time, and to communicate with prospective partners. In terms of governance, she stressed the need for a changing culture in relation to investees, from one focused on ownership to one focused on leveraging resources and capacities through public private partnerships.

The discussion then turned to ensuring impact. A speaker from the audience stressed that we shouldn't mix up increasing outreach with improving impact. Silva stressed that it is about finding the balance. Its starts from an alignment in mission, but in practice you cannot be sure what the buyer intends, or whether the benefits foreseen are met. Escarra added that secure legal documents and investing in the relationship is vital. In the legal documents adherence to social performance standards or other requirements, such as SMART certification can be included.

As a conclusion, the panel agreed that best practices need to be established. Contreras called for further action in this respect and saw a role for e-MFP in collecting such experiences.

MICROFINANCE: A LEVER FOR BUILDING SUSTAINABLE CITIES AND TERRITORIES

MODERATOR	**Grzegorz GALUSEK**, Microfinance Centre (MFC)
SPEAKERS	**Davide FORCELLA**, CERMi - ULB
	Patrick MCALLISTER, Habitat for Humanity

PRESENTATIONS

Patrick MCALLISTER of Habitat for Humanity pointed out that today the World Bank estimates 1.2 billion people are in need of improved shelter; by 2013 that number will have risen to 3 billion, requiring at least 300 million new homes to shelter them. Also, by 2030 the majority of all people in all continents will live in urban areas and 2 billion may live in slums. In short, McAllister concluded that most of these people will go to the market for their shelter needs, with a smaller proportion relying on socialized housing or charities. Therefore, all efforts of financial institutions to invest in low-income housing are much needed. Today, an estimated 20% of all microfinance loans (in loan volume) are thought to be used for housing, but only about 2% are dedicated housing microfinance loans. According to Habitat for Humanity, 52% of housing microfinance loans go to home improvement, 30% to small construction, 14% to large construction and 4% to land purchase.

He explained the approach of Habitat for Humanity, using the 'Building Assets, Unlocking Access' initiative in East Africa as an example. Technical advice is provided at all levels, from the financial institution developing a dedicated housing product to the home owner using the loan, whether for land purchase or actual construction. To date, the program has mediated USD 21 million in housing loans in Uganda and Kenya. Habitat for Humanity assists financial partners such as MFIs in the design and marketing of adequate housing finance products, but also in creating linkages with the construction sector so as to add value to the financial product. Where loans are financing construction of a home, both borrowers and MFIs are encouraged to work with trusted and competent builders and labourers so that quality is delivered at affordable rates. Those engaged in improvement (roofing, doors and windows, tiling, electricity, water, sewage, paint) are often advised on the procurement of materials and hiring of professionals for work not done by themselves.

Housing loans by MFIs are differently structured than standard microcredit products. On the capital side, housing loans often are financed by special capital placements from international investors whereas most of overall funding comes from local deposits, savings, and banks. And whereas in overall lending 45% of loans carry a group guarantee, this is only true for 20% of housing loans. On the

other hand, 22% of housing microfinance loans are accompanied by mandatory technical assistance, whereas this is only the case in 8% of standard microcredit loans. Housing loans have an average tenure of 27 months compared with 19 months for all microcredit loans, and 53% of housing loans are smaller than USD 2,000, compared with 62% for all loans. Interest rates are comparable at 25-30% per annum in local currencies. In short, housing microfinance loans are getting larger and their tenures longer compared with standard microcredit, and are more likely to include technical advice, but the price of the loans have not yet fallen as may be expected.

The speaker then illustrated the lending and building process. Not all building or improvement projects follow all stages, but it may be useful to identify the various stages so that both lender and borrower can be made of aware of where technical assistance can be useful to prevent mistakes or misunderstandings. Starting with assistance in securing land and tenure, the process identifies assistance of securing or improving essential services; obtaining the finance required for the project through savings, subsidies or loans; obtaining quality building materials, design and technical detailing of the building; the actual construction process; and obtaining permission and support from the local community. Lastly, McAllister showed the correlation between the average amount borrowed and the destination of the loan. In fact, most loans in home improvement remain around the USD 1,000 mark. Small improvements include: procurement of incidental building materials, power metering systems, internal finishes, water storage and septic tanks, paint and plaster, improving the cooking facilities, addition of poultry house, and small repairs to roof and walls. Loan amounts rise sharply, however, when it comes to adding a second floor or the completion of rental units. Then the loan amounts average USD 5,000.

Davide FORCELLA, researcher at the Centre for European Research in Microfinance (CERMi), explained that one cannot pursue sustainable cities without a sustainable countryside: over-exploitation of resources, environmental degradation, and pollution present a threat to public health. Innovative financial products could support the sustainability of both cities and countryside. One could think of climate-smart agriculture in the form of land restoration, biodiversity conservation, climate change adaptation, but also of ecotourism and improvement of quality and quantity for agriculture productivity. Moreover clean energy and energy efficiency also contribute to rural sustainability and resilience increase. In fact, MFIs have pioneered green finance and are readily expanding their exposure. Among the MFIs reporting on their social performance in the MIX Market, in 2014 approximately 19% MFIs declared to have developed environment-friendly financial products, 34% declared to have environmental risk management activities, while 40% declared to have environmental awareness raising activities, with positive growing trend in the last years. When it comes to regional distribution, it is noticeable that Latin America, Africa and South Asia are the regions with the higher number of MFIs declaring to have green credits in their portfolio.

DISCUSSION

At the suggestion of moderator Grzegorz GALUSEK, both presentations were in the Q&A format, meaning that there was no strict division between presentation and discussion. An issue discussed at some length was the general obligation to show land titles or deeds for purposes of securitization of loans. In many circumstances that turns out to be a major obstacle because of conflicting ownership claims, inaccurate administration and documentation and a reluctance on the part of banks to go for repossession. As yet, no convenient solutions for borrower and lender have been found in such cases. Another topic was about the gradual transformation among lenders from clearly defined green loans in certain areas such as waste management to a more overall appreciation of food print reduction and climate change finance.

This session was organized in partnership with Convergences.

THE IMPORTANCE OF CYBER SECURITY FOR DIGITAL FINANCE

MODERATOR	**Nico BINSFELD**, House of Training
SPEAKERS	**Ahmed DERMISH**, UNCDF
	Xavier MOMMENS, EIB
	Sidy LAMINE NDIAYE, APSFD-Sénégal
	Jean-Louis PERRIER, Suricate Solutions

PRESENTATIONS

Nico BINSFELD opened this session by stressing the importance of capacity building in order to strengthen cyber security in the South. He then introduced the panellists.

Xavier MOMMENS of the European Investment Bank (EIB) highlighted that digital financial services have increased the total account penetration in the South. There is a huge opportunity to scale up good practices. Therefore, the EIB carried out several studies and pilot projects in Kenya, Morocco and Jordan to understand how Digital Financial Services (DFS) can be improved and tailored to specific market needs. Examples of potential EIB actions in digital finance could be investing in a digital finance platform or providing technical assistance for existing credit lines aimed at reaching financially excluded communities in remote areas. He then introduced the next speaker by providing the example of TESCO Bank which lost USD 3 million after a cyber-attack. This shows that risk mitigation is key for digital financial services for the poor. Financial institutions and their business environment need to have sufficient capacity to mitigate risks related to digital services in order to prevent cyber-attacks.

Jean-Louis PERRIER presented why cyber security matters for digital finance and financial inclusion, providing an overview of cyber security in Africa. There has been an explosive growth in cyber-attacks worldwide by professional criminal organisations. As financial inclusion and access to digital financial services are growing in Africa, the continent becomes a more interesting target for cyber-attacks. In the period 2014-2016 losses amounted to more than USD 1 billion. Linking to the earlier example of TESCO Bank, the speaker stressed that small financial institutions are especially vulnerable since they have smaller cyber security budgets. Perrier illustrated that cyber intrusions are inevitable, but it is key that financial institutions prepare and implement continuous improvement mechanisms for intrusion prevention, early detection, and remediation by bringing international best practices to the financial inclusion sector.

Perrier then presented the case of cyber security in Senegal. He started his involve-

ment in Senegalese cyber security during an economic mission of Luxemburg to the country in early 2016. It became clear that Senegal had significant challenges in IT security that needed to be addressed. Between 2014 and 2016, various state agencies and financial institutions were victim of cyber-attacks. This resulted in a financial loss of USD 23 million in Senegal, customer data theft and denial of digital financial services for consumers. The attacks reduced both consumer and government trust in digital financial services.

Co-financed by the Luxemburg government, Perrier introduced his cyber security solution for the financial sector of Senegal. In 2017, the first cyber security operational centre in Sub-Saharan Africa will commence its activities in Dakar. The centre, managed by Suricate Solutions and local partner APSFD, will provide services for multiple Senegalese financial institutions to continuously monitor IT infrastructure in order to prevent, detect and assist in counter attacks. The team, composed of Senegalese staff, will take on the task of continuous monitoring but can call in the assistance of a team of security specialists based in Luxemburg in case of emergency.

Sidy LAMINE NDIAYE of APSFD Senegal emphasized the need for cyber security in Senegal. The Senegalese microfinance sector has grown substantially and is now the largest market in Western Africa. Over 98% of MFIs use digital applications and 51% of Senegalese customers are using digital financial services such as mobile money accounting for approximately 200 thousand transactions per day in Senegal. These figures show the need to secure the many IT platforms available in the market as they form a serious risk.

Ahmed DERMISH, global tech specialist for the Mobile Money for the Poor (MM4P) programme of UNCDF, provided a regulatory perspective on cyber security and financial inclusion. He mentioned that increasing financial inclusion brings responsibility to offer stable and reliable digital financial services to consumers. Although financial institutions want to offer easy-to-use services to customers, cyber-attacks can seriously damage the trust of customers as well as governments in digital financial services. Dermish noted that regulators have limited capacity to regulate cyber security due to a lack of technological knowledge as well as the overlapping ministerial domains in which digital financial services often take place. He stressed the need for capacity building to increase knowledge on technological innovations as well as intra- and inter-ministerial cooperation and coordination. The speaker closed his presentation by providing good practices of regulations in New York State, the EU and the United Kingdom that mitigate risks of cyber-attacks for the financial institution as well as the consumer.

DISCUSSION

The moderator asked the panellists about the costs of cyber security. Perrier answered that the costs amounted to more than EUR 100 thousand for the initial set-up of the security system. However, the operational costs will be significantly lower. He also stressed that costs per institution can drop significantly when more MFIs participate in the system.

INVESTING IN GREEN INCLUSIVE FINANCE: CHALLENGES, OPPORTUNITIES, STRATEGIES, THE WAY FORWARD

MODERATOR	**Davide FORCELLA**, CERMi
SPEAKERS	**Hatem MAHBOULI**, FMO
	Hoa LE, BlueOrchard
	Sonja OOMS, Oikocredit

PRESENTATIONS

Davide FORCELLA started by sharing the objective of the session: to get an investor perspective on green inclusive finance. He showed the sector is growing, with 40% of MFIs declaring to raise awareness on environmental impact, 34% declaring to conduct environmental risk management and 19% declaring to offer environmentally-friendly products, among the MFIs reporting on their social performance on the MIX Market in 2014. The number of MFIs offering green products is growing in all regions, while a large and growing percentage of MIVs claim to integrate environmental issues into investment decisions. However, in terms of percentage of portfolio size, green microfinance remains a niche area for investors. The session aimed to uncover why scale remains low. Is it a lack in funding, or a lack of appetite from MFIs, what are the opportunities and challenges?

Sonja OOMS provided two perspectives: as manager in charge of environmental strategy within Oikocredit, and as chair of the Green Inclusive Finance Working Group within the Netherlands Platform for Inclusive Finance (NpM). On Oikocredit, she shared the progress on green microfinance: from a portfolio of currently 534 MFIs, 59% had an environmental policy in 2015, compared to 28% in 2009. Ooms also underlined Oikocredit's Environmental Policy. Implemented since 2013, it touches upon internal improvements, environmental impact assessment guidelines, green investments, natural disaster management, continual improvement and awareness raising. She in particular stressed the importance of awareness raising and training, both with investors, Oikocredit and MFIs.

She then mentioned the letter of intent which NpM sent to the Dutch Ministry of Foreign Affairs, committing the group to 'greening' the inclusive finance sector through impacts (reduce carbon emissions, climate smart adaptations, protection of biodiversity) as well as means (business cases, partnerships, guidelines and indicators). The NpM Green Inclusive Finance Working Group already established a baseline of member's green activities and will look, among others, at working definitions and indicators, and develop best practices in particular looking at Climate Smart Agriculture (CSA) and technology (e.g. geodata), risks and opportunities, and awareness raising. She closed by stressing that we need to focus on incentive-based, cost-efficient solutions. These need to provide business opportunities to all partners.

Hatem MAHBOULI shared that FMO pledged to have 20% of its annual commitment in green and climate finance. The inclusive finance space is considered as a potential channel for green investments. FMO established a Green Finance panel to determine whether investments can be considered green or not. Hatem stressed that green microfinance needs to

be based on a win-win situation, benefiting the financial institution (new clients and market, cross-sells), the client (less cost, access), and suppliers (new distribution channel). Other success factors are awareness raising, a buy-in by management, and incentives for loan officers and effective partnerships with distributors. He considered providing good-quality, cost-effective products that require low maintenance of particular importance to safeguard the reputation of the MFI.

In terms of challenges, Mahbouli stressed the small portfolio size of green microfinance, with most MFIs focusing on short-term credit products. To allow FMO to better invest in the sector, consolidation is needed at regional level. Another challenge is that some successes are context specific and cannot be replicated. In terms of client protection we need to ensure clients truly need green finance products and loans are provided based on proper loan appraisals. On impacts, he has seen that demand for green finance is mostly dependent on a MFIs commitment to sell such products and the trust it enjoys. Moreover, he sees that most green products are complimentary to conventional products.

Hoa LE first explained BlueOrchard Finance has its origins in microfinance but now also invests in other impact investment areas, using partners with experience and innovative products. BlueOrchard is currently not managing a dedicated green microfinance fund, but several of its investment funds cater to the green finance sector. This includes their Climate Insurance Fund and two funds with a regional focus.

DISCUSSION

Forcella kicked-off the discussion by returning to the challenges of green microfinance funding. Ooms focused on training to MFIs to raise awareness of green microfinance options. Le indicated that the lack of a track record makes it a difficult category to sell to investors. DFIs are still needed to build such a track record. Furthermore, labels such as the LuxFLAG's Climate Finance Label or Environment Label are important to convince investors. Mahbouli stressed the lack of synergies between programmes and funders which need to be made in order to upscale successful initiatives. Forcella agreed that the industry needs to capitalise better on lessons learned.

Forcella then asked the panel what they are looking for in green microfinance projects. For Ooms it is about bringing together the right stakeholders to make projects work: MFIs, service providers, funders, and distributors. Mahbouli indicated he needs to see a management buy-in. Do they really understand the market and its needs, have they got the right partners and capacities? Forcella added that the division of roles and risks is important for project success. Mahbouli mentioned that associated risks are part of due diligence.

Based on a question from the Microfinance Council of the Philippines, the panel discussed the potential role of networks in furthering green microfinance. Mahbouli proposed to bring practitioners to markets where green is well established and learn from their experiences. Ooms suggested to develop, demonstrate and replicate best practices and build awareness of green inclusive finance among MFIs. Le added that networks can provide support in terms of standardising forms and tools.

The discussion then turned to regional differences. For Ooms, all regions offer opportunities for green microfinance investments. She mentioned Africa as of interest because of Fintech capacities. Mahbouli and Le both agreed that Africa is a difficult region as the funding landscape is highly competitive, with cheap funding from development organisations. Mahbouli also added that there are differences in perceptions and needs for green microfinance between the regions, for example energy related products are important in Africa, whereas sustainable production is a key focus in Latin America. Ooms indicated that because of this, it is important for funders to listen to MFIs and learn what regional or local needs are. Moreover, as challenges are different in these regions, funding also needs to be structured in a different way.

Forcella closed the session by calling for innovative tools and platforms. These are needed to move the sector forward, and bring funding needs as well as green finance best practices together.

MILLIONS TO GAIN, BILLIONS TO FEED: THE REALITIES OF SMALLHOLDER FINANCE

MODERATOR	**Michaël DE GROOT**, Rabobank Foundation
SPEAKERS	**Hugo COUDERÉ**, Alterfin
	Blaine STEPHENS, MIX

PRESENTATION

Michaël DE GROOT explained the need for smallholder finance: in the future the earth needs to feed 9 billion people. Social lenders are setting industry standards. CSAF (Council on Smallholder Agricultural Finance) is an alliance of nine of these lenders, including the Rabobank Foundation and Alterfin. CSAF facilitates market entry, aims to reach and support the livelihoods of 450 million small-scale farmers and promotes responsible lending principles. He then introduced the panellists.

Blaine STEPHENS explained that MIX analysed the 2015 lending portfolio of CSAF members. The alliance disbursed USD 597 million (+5% since 2014), to 672 businesses, across 66 countries, earning a combined revenue of USD 3.7 billion, sourcing from 2.1 million farmers, of which 34% were women. CSAF disbursements are concentrated in South and Central America, but is increasing its disbursements in Africa and Asia where most smallholder farmers are located. The regional distribution is a result of the agricultural products that CSAF invests in. The largest commodities are coffee and cacao. Second tier commodities growing in the portfolio include rice, nuts and quinoa.

Stephens explained that social lenders like CSAF play a relatively small role in financing smallholders. The Initiative for Smallholder Finance (ISF) published a report with estimates on the current size of smallholder finance. This report estimates that 66% of financing funds come from state banks and 21% from MFIs. Currently, formal financial institutions cover around USD 14 billion to smallholder finance annually. CSAF accounts for almost 5% of that and MFIs account for USD 3 billion. Two other sources of finance are value chain actors (USD 17 billion) and informal sources of lending (over USD 25 billion).

MFIs mainly reach smallholder farmers in loose value chains, whereas most smallholder farmers are non-commercial. For the latter group, MFIs likely finance the off-farm activities, given the fit of their cash flows for typical MFI products. Most borrowers under CSAF are producer organisations, the remaining third are private SMEs, such as processors and traders. For CSAF, the biggest risk in smallholder finance lies in the capacity of producer organisations to manage extreme weather events, commodity prices and currency depreciation.

Hugo COUDERÉ presented a borrower's perspective of smallholder finance. He

explained that MFIs fail to finance smallholder farmers and they cannot always account for all financial needs of this target group. He presented an example of a coffee farmer who wanted to invest in a dry mill. This investment is too much for an MFI. In another example, an MFI developed a special product to cover the investment of an extra cow for a Kenyan dairy farmer and includes health insurance for the cow. Couderé explained that smallholders need specialised MFIs, such as SACCOs, that tailor their products to the needs of smallholder farmers.

Couderé explained that most of the finance for smallholders comes from within the value chain. He stressed the importance of an organised value chain to finance farmers. Often, value chain actors, such as input providers or traders, provide the finance. Typically farmers are small and dispersed and sell their products locally. This makes it very difficult to finance. Couderé shared an example of alpaca farmers, which are scattered over a large area. To produce alpaca wool, the value chain needs to be organised. To organise the value chain, it needs to be demand-driven: we need to start at the market and make the farmer understand how to reach that market.

Within the value chain, finance does not reach the individual farmer. Couderé described the finance gap between farmers and financial institutions. He explained that agriculture is related to various risks, in production, price and market. At the same time, farmers often lack collateral, operate on a small scale and have limited market information to anticipate changes. Financial institutions have limited access to farmers, make inaccurate risk assessments, offer inadequate loan products and have inefficient lending systems. The costs of securing markets and covering risks cannot be covered by the interest rate of microfinance products. Couderé concluded that a national and international price and subsidy policy is needed to close the gap.

DISCUSSIONS

The moderator explained that MFIs can do more for smallholder finance by segmenting their clients in loose, tight and non-commercial value chains and adapt their products accordingly. He asked the audience to share their experiences in interventions for smallholder farmers to solve these problems. A member of the audience from IFAD explained that IFAD shared the risks and costs of an investment with both the farmer and the MFI. The farmer accounted for 20%, the MFI financed 50% of the investment and IFAD the remaining 30%.

Another participant commented that there are a lot of different types of smallholder farmers, who need different approaches. Half of these farmers are non-commercial, they have an important role in the world food supply in the future, and how do we finance them? The moderator responded that there is a lot of ongoing research on how to do this. Stephens gave an example of innovations with input suppliers. As farmers have incremental income, they acquire seeds for the coming season. This recognises the existing cash flows on a farm.

A member of the audience asked how the panellists can address the need for diversified products. Couderé explained that most farmers have both on-farm and off-farm activities. The on-farm activities are also diverse. To diversify their risks, Alterfin finances the commercial on-farm activities of a farmer, which is an activity that creates cash flow. He explained that this also has a positive effect on the on and off-farm non-commercial activities.

Another participant enquired about the gap in finance needed to feed the world in 2050. Stephens explained that currently there is a need for around USD 200 billion for smallholder farmers. Current financing covers about USD 50 billion, which results in a financing gap of USD 150 billion.

The moderator consequently asked the audience their views on increasing agriculture to feed 9 billion people. Is the future in large-scale agricultural production or in producing according to organic and sustainable production methods? The majority voted for the second option. They gave reasons of social responsibility and environmental sustainability.

The moderator concluded the session by saying that the panellists cannot answer all questions raised in this session, much input is still needed. He explained that the CSAF network is growing, and there is a growing interest in social lending. Social lending is a relatively new topic, but it can contribute to smallholder finance.

FINANCIAL EDUCATION FOR MANAGING RISK

MODERATOR	**Yousra HAMED**, ILO
SPEAKERS	**Lucia SPAGGIARI**, MicroFinanza Rating
	Zak SYENGO, Rafiki Microfinance Bank

PRESENTATIONS

Yousra HAMED opened this session by introducing the panellists and explaining the difference between financial literacy, education, and capability. Financial education is a way to increase financial literacy. It provides the basic skills related to earning, spending, budgeting, saving, and using other financial services, such as insurance and money transfers. Financial literacy is the ability to understand finance. It refers to the set of skills and knowledge that allows an individual to make informed and effective financial decisions, and understand the financial services that are available. Financial capability is the combination of knowledge, skills, attitude and behaviour a person needs to have to make sound financial decisions that support well-being.

Lucia SPAGGIARI presented the results of a cross-country study on microfinance financial literacy conducted by the University of Reading in collaboration with MicroFinanza. The study will be published in the near future, and it involved 9000 clients, 52 financial service providers (FSPs) in 28 countries. Financial literacy was represented by interest rate awareness as many borrowers do not know what interest rates are charged, even in the traditional financial sector. Researchers looked at the number of clients who knew the nominal interest rate they were being charged, within a 25% margin of error.

The study found that only 34% of the clients were aware of the interest rate of their loan. More financially literate clients tend to be younger, with more years of schooling and are usually the heads of the household. Surprisingly, the study found that clients living in rural areas are more financially literate, while gender did not seem to matter. Having previous access to banks, non-bank financial institutions, NGOs and Credit Unions, does not influence financial literacy, while having taken a loan from a moneylender in the past does. Spaggiari explained that the extremely high borrowing rate, and maybe unpleasant experience with moneylenders, could strongly improve the clients' financial awareness, while a low saving rate and satisfactory banking service could weaken their attention to the interest rates. Higher interest rates and multiple borrowing from different FSPs showed negative association with financial literacy. These two factors could indicate problems with transparency and excessive borrowing leading to over-indebtedness.

Spaggiari concluded her presentation by stressing that financial literacy is not automatically achieved with access to finance; deliberate financial education measures are needed to improve it. Transparency culture and supervision could help improving the client's financial literacy which is a necessary line of defence against over-indebtedness.

Zak SYENGO, representing the practitioners' point of view, introduced Rafiki Microfinance Bank, a subsidiary of Chase Bank. Rafiki provides loan products to individuals who wish to pursue education at different levels, and also offers loans to education institutions. In addition, they facilitate training programs to individuals and educational institutions. Syengo stressed that access to information enables clients to make more informed decisions, and that financial education can be used as a risk management tool for both the clients and the FSPs. However, providing financial education can be quite costly. The challenge for Rafiki and other FSPs is to make financial education initiatives sustainable.

Yousra HAMED presented selected results from ILO's publication: 'Microfinance for Decent Work. Enhancing the impact of microfinance: Evidence from an action research programme'[2]. The study was conducted by the International Labour Organisation (ILO) and the University of

2 http://www.ilo.org/employment/Whatwedo/Publications/employment-reports/WCMS_344847/lang--en/index.htm

Manheim. Hamed focused on the results of two MFIs, AMK and VisionFund in Cambodia that introduced training programmes on financial education.

The two MFIs used very different approaches to financial education. AMK introduced a financial education programme that primarily targeted AMK staff at central and branch level so they would be in a better position to advise clients through group and individual counselling on risk management and over-indebtedness at moments of contact or transaction throughout the loan cycle. VisionFund on the other hand, used a more direct approach by implementing two-day training sessions with clients in targeted villages, after first training of trainers for selected staff within the MFI. Both training programmes were based on the ILO's financial education trainer manual for Cambodia.

Researchers evaluated the impact of the programmes with the use of treatment and control groups. They found that the indirect approach of AMK showed the strongest impact on the repayment behaviour of clients by reducing late payments, and strong and positive impacts on asset building with increased insurance uptake and improved financial attitude in terms of borrowing and handling debt. On the other hand, the more direct approach of VisionFund led to a lesser impact on financial attitude and risk management, and little evidence with respect to asset building. According to Hamed, AMK's indirect approach was more successful because financial education was followed by immediate financial action, as clients were trained by field staff during transaction moments. She called those 'teachable moments' crucial for financial education to be effective.

DISCUSSION

Hamed asked the panellists about the best way to measure results of financial education and how to make provision of financial education sustainable for FSPs. Spaggiari stressed that doing business with clients who make poor financial decisions is not sustainable for FSPs. She added that regulators should play a larger role in promoting a conducive environment, and that increasing the transparency standards of the financial sector remains key. Syengo agreed that there is a strong business case for financial education as FSPs do not want to invest in clients that will not provide returns. The challenge however is to implement financial education programmes which are cost-effective. He thinks technological innovations could assist with this. It is everyone's responsibility on the financial inclusion value chain to contribute resources to build outcome measurement systems. It may be cost-effective to take financial education measures with target segments having especially low financial literacy.

Amelia Greenberg asked whether there is a minimum requirement on how many hours a financial education programme should be to have the desired outcomes. According to Syengo, providing trainings of more than two hours can be very tiring for clients. He added that trainings should not be offered at times when clients are supposed to be working. Hamed added that adults learn best when it is participatory and fun; and has on the spot applicability with the use of case studies and examples. Currently ILO's training programme[3] lasts for 22 hours as it offers a wider financial education programme.

Florian Grohs remarked that loan officers having good guidelines on the clients' reimbursement capacity helps decrease over-indebtedness, for example by looking at the percentage of the clients' income that is not covered by loans or other expenses,. He asked Hamed whether the two training approaches implemented by AMK and VisionFund are still in use today. Hamed noted that AMK has rolled out their indirect approach on financial education nationally and they keep on monitoring client over-indebtedness, while VisionFund has shortened the training as they found two days was too long. They have also implemented the training in more branches.

3 http://www.ilo.org/empent/areas/social-finance/WCMS_396578/lang--en/index.htm

CLOSING PLENARY
DIGITAL FINANCE: FULL INCLUSION OR EMPTY PROMISE?

MODERATOR	**Greta BULL**, CGAP
SPEAKERS	**Vicki ESCARRA**, Opportunity International
	Dave VAN NIEKERK, MyBucks
	Graham WRIGHT, MicroSave

PLENARY DISCUSSION

Moderator Greta BULL opened the final plenary session by introducing the topic and panellists. It was established that two of the panellists, Vicki ESCARRA and Dave VAN NIEKERK, would be arguing for digital finance as an instrument to reach full inclusion, whereas Graham WRIGHT would counter this as an empty promise.

Bull started the debate by asking the panel whether by 2030 there will still be a role for traditional microfinance in providing meaningful financial services for poor people, or do digital financial services represent an existential threat to microfinance?

Escarra responded that digital services can offer access to people that currently do not have access, on which Wright commented that it is still a confusing world out there. Even in Kenya 54% of mobile money transactions are agent assisted, because the user interfaces are not intuitive. But with the advent of Java-based systems we can present interfaces that reflect users' mental models on digital devices such as tablets at agent outlets to encourage self-use. MFIs will have to develop digital strategies as digital financial services offer both an opportunity but also a threat.

According to Van Niekerk, digital innovations will cause a massive revolution in the world of MFIs and put them to rest; they made a great impact while they lasted. Clients are going to interact through mobile technology, we don't have a choice. However, still 50% of transactions are done through branches and agents. Digital services will in first instance add to the current portfolio, and only slowly evolve into something else.

Wright added that in remote areas there is indeed still a lot of human involvement needed, also in response to someone in the audience who spoke of hybridisation. However, said Escarra, reaching clients in remote areas is also a matter of cost-effectiveness. When asked why a digital provider would care about the marginalised, she responded that they are in fact the clients of the future. Van Niekerk commented that you need to understand clients' needs and be responsive in adapting technologies accordingly. Wright remarked in this respect that it is possible to get digital services out in rural areas

through agents, like for example in the case of India. Escarra referred to a case in Uganda, where analysis based on big data revealed that in many cases faster and more effort should have been made concerning education.

Bull then posed a second question to the panel: 'Aren't digital financial services just jumped up payments and automated loan sharking?' This is absolutely the case according to Wright. 72% of electronic payments are person-to-person, and most of the rest are bill-pay. We can hardly pretend that is financial inclusion. Furthermore, in Kenya, most digital loans are offered for just a month at annualized rates of 49% to over 640%. These high rates are driven by the need to price in risk because most digital credit is not based on big data at all, but rather on the wafer-thin data from use of mobile phone. Poor people often only buy two Ksh10 scratch cards a month which is hardly a wealth of data on which to base a lending decision. With 400,000 people already blacklisted at the Kenya Credit Bureau for loans outstanding of USD 2 or less, it is clear that digital credit is creating financial exclusion.

Van Niekerk responded by saying that digital services are increasingly creating more transparency through quick, real-time data. In addition, digital services are not only about credits, but involve an MFI space for insurance, small businesses, agriculture, housing and the like. There is also increasing global collaboration, on which he presented some slides. Fintech is changing the landscape of microfinance drastically, and also the poorest of the poor will be using these technologies. Fintech is not just one side of the coin but rather leads to financial inclusion and change in the world.

A participant from the audience contributed that the financial sector and banks are forging new partnerships, and Fintech is as good as people make use of it. He referred to an example in Kenya, where social media data from customers is used to synchronise with financial services in order to build the credibility for buying goods. Such credits are charged with a 46% interest rate; according to him therefore the disruption is more in the 'first world' than in the poor regions. Wright countered saying that poor people do not have a digital footprint, and that we should not celebrate crazy expensive small loans; this will create a digital divide. Escarra responded to Wright by mentioning that digital services will slowly integrate in the services on the ground. In this process, you have to take the full package of digital services into account. Besides credit products, clients are increasingly making use of savings and insurance products. There is not a 'one size fits all' solution; it is a set of services provided digitally and by people on the ground.

On an earlier comment made by Van Niekerk regarding bad players in digital finance who will likely wash out over the course of time, a member of the audience stated that these bad players are not likely to be shaken out. Moreover, they are more likely to pull down the good players as well, comparing the situation with the subprime crisis in the US. Another participant asked Wright whether the pricing of the loans is not simply unsustainable. According to Wright the evidence shows that, with the exception of the good practice of Equity Bank, interest rates of most MFIs offering digital finance solutions are not dropping – despite the expectations of a reduction in costs arising from digitising loan repayments. Escarra referred in this respect to the need for transparency in data, which should lead to fair interest rates, services of real use to customers and avoiding over-indebtedness. This could be guided through a good housekeeping seal. Van Niekerk added that you would want to avoid regulators intervening, by building an ecosystem with repercussions for either suppliers or users not meeting the standard.

With respect to using biometric and social media data, some participants expressed serious concerns, in particular also when using data concerning poor people. Van Niekerk responded that, even when understanding these concerns, how do you connect to poorer segments in the population in remote areas, and help them get access, if there are no means of verification or validation? The irony is that the first thing poor people do when getting access to internet, is create social media accounts like Facebook to communicate. While Wright agrees that smart phones will enhance a digital footprint, we will have to be very careful in the coming 5 to 10 years to manage the potential risks and ensure consumer protection.

Finally, Greta Bull asked the participants to vote on the question whether Digital Finance will lead to full inclusion or prove to be an empty promise; the vast majority of the audience voted with 'full inclusion'.

CLOSING EUROPEAN MICROFINANCE WEEK 2016

European Microfinance Week was closed by e-MFP Chairwoman Anne Contreras. On the occasion of e-MFP's 10th anniversary she reflected on how the sector changed over the decade - from the products offered, to the way we monitor impact, to the technology available to increase access and lower costs. The Platform has changed too, she noted: it has expanded and diversified so much in the way it works, and who it reaches. In the past ten years e-MFP has evolved in parallel to the sector it supports and will continue to do so in the future.

Contreras congratulated Kashf Foundation on winning the 7th European Microfinance Award on Microfinance and Access to Education and also highlighted the outstanding applications and programs of the two other finalists: Fondación Génesis Empresarial and Opportunity Bank Uganda Limited. She emphasized the real value of the Award is exposure, and for others to learn from the excellent work being done by these organisations. She reminded the audience that the 2017 Award will be on Microfinance and Housing, an area ripe for innovation as heard in that morning's plenary.

Contreras concluded the session by thanking the Luxembourg Government, the sponsors of the European Microfinance Week, the e-MFP team, members, speakers and guests, and everyone who made it all possible.

NEXT EUROPEAN MICROFINANCE WEEK

29th November - 1st December 2017

If you are interested in sponsoring this year's event and positioning your organization at the forefront of the microfinance sector, please contact the Secretariat at contact@e-mfp.eu

e-MFP would like to thank Blue Rhino Consult BV for their assistance in preparing this report.

FEEDBACK AND STATISTICS

Read what the participants appreciated about European Microfinance Week 2016

I'm impressed by the general enthusiasm and openness of people

Everything was just perfect, from the conference program to the mix of participants

EMW is an event I really look forward to!

Well organised with high calibre speakers and very friendly atmosphere

All sessions very interesting - a lot of food for further thought

Congrats to the e-MFP team for organizing such a premier industry event!

Great opportunity to meet colleagues and microfinance practitioners from over the world

I really enjoyed participating and the conference was absolutely brilliant

The conference is wonderful and a great platform for networking

Great diversity of topics, energetic sessions and knowledgeable presenters

The programme was fantastic

Excellent sessions with quality speakers from the field

Overall a great conference in which to follow recent trends

A great opportunity to network which was very enriching

EMW is one of the best organized and most relevant events in the area of inclusive finance

Thank you so much for another great EMW – you continue to keep the agenda fresh!

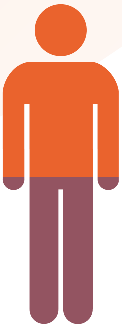
Keep up the excellent standard!

Congratulations for putting together a great event

I left the conference energized and inspired by the power we have to improve lives

**Following European Microfinance Week 2016,
all participants were invited to take part in a satisfaction survey.
e-MFP would like to share the feedback received.**

FIRST-TIME ATTENDEES



54%
first-time attendees

46%
previous attendees

MEMBERS ATTENDING

48%
members

52%
non-members

PARTICIPANTS DIRECTLY INVOLVED IN MICROFINANCE

86%
directly involved

14%
not directly involved

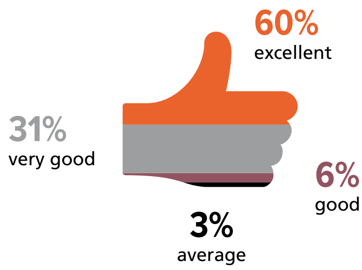
DAYS SPENT AT THE CONFERENCE

54%
three days

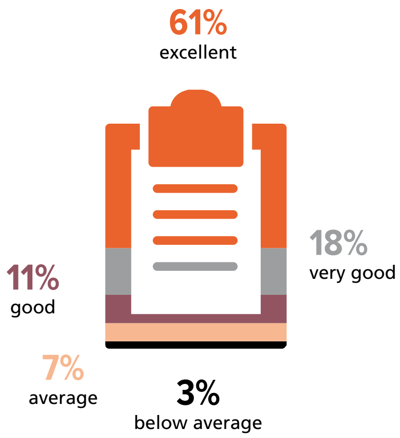
40%
two days

6%
one day

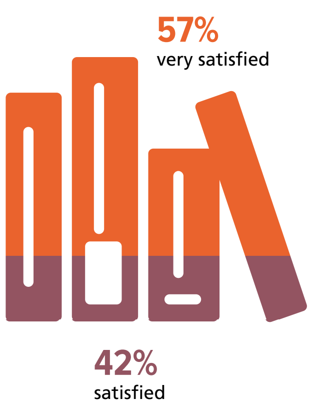
QUALITY OF THE CONFERENCE ORGANISATION



SATISFACTION WITH REGISTRATION PROCESS



SATISFACTION WITH CONFERENCE MATERIALS



IMPRESSION OF CONFERENCE FACILITIES

WERE THE CONFERENCE STAFF HELPFUL AND COURTEOUS?

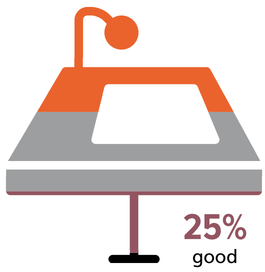
90% always

9% mostly

1% only sometimes

IMPRESSION OF CONFERENCE SPEAKERS

35% excellent



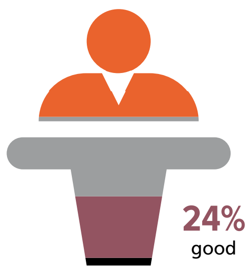
36% very good

25% good

4% average

IMPRESSION OF THE MODERATION OF THE CONFERENCE SESSIONS

42% excellent



31% very good

24% good

3% average

PARTICIPATION NEXT YEAR

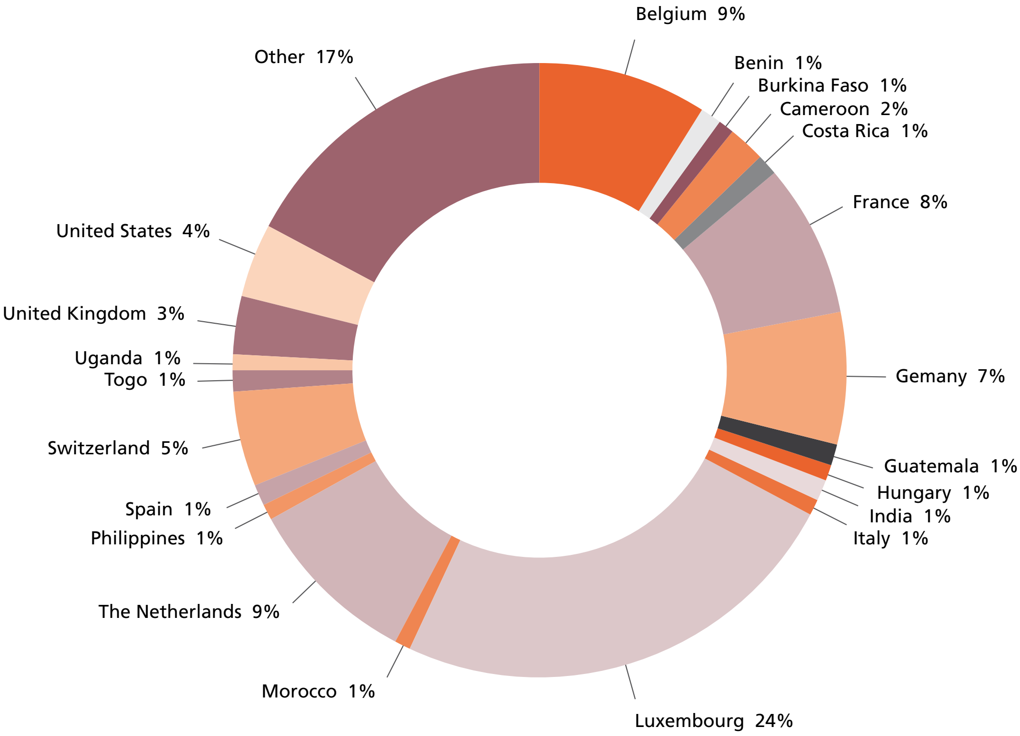
65% return next year

34% undecided

Thank you Martin Kinsella & Associates for the survey.

COUNTRIES

Number of registered participants: **470** from **58** countries



Other

Azerbaijan
Bosnia & Herzegovina
Bulgaria
Cambodia
Canada
Comoros
Congo
Croatia
Denmark
Egypt
Ethiopia
Finland
Ghana
Guinea
Hong Kong
Ireland
Kenya
Lebanon
Mali
Mauritius
Mongolia
Myanmar
Nepal
Niger
Nigeria
Norway
Pakistan
Palestine
Poland
Senegal
Sri Lanka
Tanzania
Tunisia
United Arab Emirates

LIST OF PARTICIPANTS

FIRST NAME	LAST NAME	ORGANISATION	COUNTRY
Isabelle	Katthagen	Academy of German Cooperatives (ADG)	Germany
Rudiger	Meister	Academy of German Cooperatives (ADG)	Germany
Lizzy	Bolze	Accion	United States
Bernard	Georges	ADA Microfinance	Luxembourg
Frédéric	Ruaz	ADA Microfinance	Luxembourg
Laura	Foschi	ADA Microfinance	Luxembourg
Marina	Abboud	ADA Microfinance	Luxembourg
Matthew	Genazzini	ADA Microfinance	Luxembourg
Olivier	Massart	ADA Microfinance	Luxembourg
Paul	Sureaux	ADA Microfinance	Luxembourg
Sarah	Canetti	ADA Microfinance	Luxembourg
Bénédicte	Godefroid	ADA Microfinance	Luxembourg
Christian	Baron	ADA Microfinance	Luxembourg
Claude	Witry	ADA Microfinance	Luxembourg
Elisa	Dolci	ADA Microfinance	Luxembourg
Emma-Jayne	Paul	ADA Microfinance	Luxembourg
Gilles	Franck	ADA Microfinance	Luxembourg
Juana	Ramirez	ADA Microfinance	Luxembourg
Max	Meyer	ADA Microfinance	Luxembourg
Nicole	Dochen	ADA Microfinance	Luxembourg
Philippe	Onimus	ADA Microfinance	Luxembourg
Rémy	Jacob	ADA Microfinance	Luxembourg
Robert	Wagener	ADA Microfinance	Luxembourg
Linda	Szelest	ADA Microfinance	Luxembourg
Daniela	Lafortezza	ADA Microfinance	Luxembourg
Gauthier	Malnoury	ADA Microfinance	Luxembourg
Luc	Vandeweerd	ADA Microfinance	Luxembourg
Miguel	Varguas	ADA Microfinance	Luxembourg
Olivia	Fechner	ADA Microfinance	Luxembourg
Saad	Menjour	ADA Microfinance	Luxembourg
Sarah	Canetti	ADA Microfinance	Luxembourg
Wendy	Medrano	ADA Microfinance	Luxembourg
Ombeline	De Bock	ADE	Belgium
Ritha	Sukadi Mata	ADE	Belgium
Claude	Falgon	Advans	France
Jakob	Lutz	AFC/GOPA Group	Germany
Sigitas	Bubnys	AFC/GOPA Group	Germany
Georges Appolin	Gafe Bobda	AFIB SA	Cameroon
Benoit	Destouches	Aga Khan Agency for Microfinance	Switzerland
Rim	De Labouchere	Aga Khan Agency for Microfinance	Switzerland
Sitara	Merchant	Aga Khan Agency for Microfinance	Switzerland
Trushna	Patel	Aga Khan Agency for Microfinance	Switzerland
Sitara	Merchant	Aga Khan Agency for Microfinance	Luxembourg
Vanessa	Doucelin	Agence Française de Developpement	France
Marion	Allimant	Agence Française de Développement	France
Alia	Farhat - Nazar	Al Majmoua	Lebanon

FIRST NAME	LAST NAME	ORGANISATION	COUNTRY
Jean-Jacques	Picard	ALFI	Luxembourg
Svein Arne	Lende	Alliance Microfinance	Norway
Bernard	Ornilla	Alterfin	Belgium
Hugo	Couderé	Alterfin	Belgium
Pascal	Simon	Amarante Consulting	United Arab Emirates
Sidy	Lamine Ndiaye	APSFD Sénégal	Senegal
Sam	Mendelson	Arc Finance	United Kingdom
Antoine	Le Poac	Arendt & Medernach	Luxembourg
Anne	Contreras-Muller	Arendt & Medernach / e-MFP	Luxembourg
Martijn	Bollen	ASA International N.V.	Netherlands
Berg	De Bleecker	ASN Bank	Netherlands
Khaddouj	Gharbi	Association ATTADAMOUNE Micro-Finance (AMSSF/MC)	Morocco
Noureddine	Aichour	Association La Voûte Nubienne	France
Issa	Chaibou Magagi	ASUSU SA	Niger
Benjamin	Deransart	AVISO Consulting	Mauritius
Aafke	Van Sprundel	Awareness Initiatives	The Netherlands
Jhaleh	Hajiyeva	Azerbaijan Micro-finance Association	Azerbaijan
Cristina	Alvarez	Babyloan	France
Markus	Christ	Bank im Bistum Essen eG	Germany
Ramla	Krifa	Banque Centrale de Tunisie	Tunisia
Jean Philippe	Donge	Banque de Luxembourg	Luxembourg
Stephanie	Garcia Van Gool	BBVA Microfinance Foundation	Spain
Alexis	Losseau	Belgian Investment Company For developing Countries (BIO)	Belgium
Fils Charles	Aimé Akan	Benin Micro Finance	Benin
Raul	Stefanetti	BIL	Luxembourg
Alexis	Losseau	BIO SA	Belgium
Bert-Jan	Ottens	Blue Rhino	Netherlands
Jesse	Bloemendaal	Blue Rhino	Netherlands
Herman	Abels	Blue Rhino	Netherlands
Evgenia	Papoula	Blue Rhino	Netherlands
Jolanda	Van Hal	Blue Rhino	Netherlands
Robbie	Hogervorst	Blue Rhino	Netherlands
Hoa	Le	BlueOrchard	Luxembourg
Maria Teresa	Zappia	BlueOrchard	Switzerland
Alain	Levy	BNP Paribas	France
Alexandre	Nayme	BNP Paribas	France
Claudia	Belli Jeanteur	BNP Paribas / e-MFP	France
Kurt	Moors	BRS	Belgium
Etienne	Mottet	Business & Finance Consulting	Switzerland
Evgeni	Siachin	Business & Finance Consulting	Switzerland
Marina	Kortenbusch	Business & Finance Consulting	Switzerland
Michael	Kortenbusch	Business & Finance Consulting	Switzerland
Georgina	Vázquez	Calmeadow	Costa Rica
Sovanna	Yun	Cambodia Microfinance Association (CMA)	Cambodia
Lynn	Pikholz	CapitalPlus Exchange	United States
Kubaki	Lufuluabo Mado	Caritas Congo	Congo

FIRST NAME	LAST NAME	ORGANISATION	COUNTRY
Atakuma	Kodjotsè Améhi	CECA	Togo
Stefan	Pohl	Center for Microfinance, Department of Banking and Finance, University of Zurich	Switzerland
Cécile	Lapenu	CERISE	France
Jon	Sallé	CERISE	France
Davide	Forcella	CERMi	France
Patrick	Reichert	CERMi - Universite Libre de Bruxelles	Belgium
Sandra	Pregassame	CFPB	France
Alice	Negre	CGAP	France
Barbara	Scola	CGAP	France
Diane	Johnson	CGAP	Croatia
Greta	Bull	CGAP	United States
Lauren	Braniff	CGAP	United States
Matthew	Soursourian	CGAP	France
Michael	Tarazi	CGAP	United States
Karina	Nielsen	CGAP	France
Pierre	Covington Fotso Toguem	Chargé d'Etudes à la Division de la Microfinance	Cameroon
Antoine	Flipo	Citigroup Luxembourg	Luxembourg
Yekbun	Gurgoz	Climate and Clean Air Coalition (CCAC)	France
Cristina	Rodriguez	Compañía Española de Financiación del Desarrollo, COFIDES,SA,SME	Spain
Yaovi	N'Tela	Confédération des Institutions Financières d'Afrique de l'Ouest (CIF)	Burkina Faso
Ligia	Castro Monge	Consultant	Costa Rica
Florian	Grohs	Consultant	Netherlands
Maren	Richter	Consultant	Germany
Bart	De Bruyne	Consultant	Belgium
Micol	Guarneri	Consultant	France
Axel	De Ville	Consultant	Luxembourg
Lene	Hansen	Consultant to SPTF	Denmark
Fanny	Roussey	Convergences	France
Jose Luis	Guairacaja Copa	Cooperativa Sumac Llacta	Ecuador
Eddy Camille	Tchouamo Pieme	Coopérative d'Epargne et de Crédit des Artisans du Wouri	Cameroon
Priscilla	Carpenter	Crédit Coopératif	France
Daniel	Kalbassou	Crédit du Sahel SA	Cameroon
Lamarana Sadio	Diallo	Crédit Rural de Guinée S.A	Guinea
Laura	Hemrika	Credit Suisse / e-MFP	Switzerland
Bertrand	Boadi	Credit Suisse Luxembourg S.A.	Luxembourg
Manuela	Lukas	Credit Suisse Luxembourg S.A.	Luxembourg
Tsolmon	Dariim	CrediTech Mongol	Mongolia
Hans	Stamm	Dechert LLP	Germany
Guillaume	Brousse	Deloitte	Luxembourg
Marie-Nefelli	Maamoun	Deloitte	Luxembourg
Jack	Aldane	Development Finance	United Kingdom
Fedor	Boehmert	DGRV	Germany
Charles	Ruys	EACH B.V.	Netherlands

FIRST NAME	LAST NAME	ORGANISATION	COUNTRY
Joseph	Mugume Kazooba	EBO Sacco Ltd.	Uganda
Sabine	Kleve	EDFI MC - ElectriFI	Belgium
Geert	Schuite	Enclude	Netherlands
Patricia	Santa Maria	Enclude	Netherlands
Franck	Renaudin	Entrepreneurs du Monde	France
Arif	Sikder	Environment Council Bangladesh	Bangladesh
Allan	Waititu	Equity Bank limited	Kenya
Christudas	Karayil Victor	ESAF Microfinance & Investments Pvt Ltd	India
Cornelia	Andrei	European Commission	Belgium
Anaëlle	Croteau	European Investment Bank	Luxembourg
Christo	Pouris	European Investment Bank	Luxembourg
Edvardas	Bumsteinas	European Investment Bank	Luxembourg
Michiel	Van Der Staaij	European Investment Bank	Luxembourg
Xavier	Mommens	European Investment Bank	Luxembourg
Claudia	Dijkstra	European Investment Bank	Luxembourg
Francesco	Consiglio	European Investment Bank	Luxembourg
Nina	Fenton	European Investment Bank	Luxembourg
Perrine	Pouget	European Investment Bank	Luxembourg
Sónia	Leonardo	European Investment Bank	Luxembourg
Yves	Ferreira	European Investment Bank	Luxembourg
Hannah	Siedek	European Investment Bank	Luxembourg
Klaudia	Berger	European Investment Bank	Luxembourg
Luís	Baptista	European Investment Bank Institute	Luxembourg
Noemie	Renier	European Investment Fund	Luxembourg
Raphael	Betti	European Investment Fund	Luxembourg
Nicola	Benaglio	European Microfinance Network	Belgium
Daniel	Rozas	European Microfinance Platform (e-MFP)	Luxembourg
Christoph	Pausch	European Microfinance Platform (e-MFP)	Luxembourg
Gabriela	Erice García	European Microfinance Platform (e-MFP)	Luxembourg
Niamh	Watters	European Microfinance Platform (e-MFP)	Luxembourg
Roxane	Gonzalez	European Microfinance Platform (e-MFP)	Luxembourg
Aymeric	Kerguen	EY	Luxembourg
Laurent	Capolaghi	EY	Luxembourg
Nael	F.H. Salim	FATEN	Palestine
Cédric	Turini	Fédération Nationale des Caisses d'Epargne (FNCE)	France
Jorge	Marroquin	FIACG	Guatemala
Matteo	Snidero	Finance in Motion GmbH	Germany
Jeffrey	Smith	FINCA International	United States
Rob	Hanson	FINCA International	United States
Romain	Basanga Besako	Finca RDC SA	Congo
Ulla	Huotari	FINNFUND	Finland
Issa	Traore	First MicroFinance West Africa (FMF WA)	Burkina Faso
Katherine Jamina	Diaz	Flores	Luxembourg
Hilda Janina	Diaz	Florez	Luxembourg
Charissa	Bosma	FMO	Netherlands
Hatem	Mahbouli	FMO	Netherlands

FIRST NAME	LAST NAME	ORGANISATION	COUNTRY
Jeroen	Harteveld	FMO	Netherlands
Lonneke	Noteboom	FMO	Netherlands
Martine	Sanders	FMO	Netherlands
Nicolas	Vernier	Fondation de Luxembourg	Luxembourg
Francesca	Agnello	Fondazione ACRA	Italy
Pascal S.	Kounnou	Fonds National de la Microfinance au Bénin (FNM)	Benin
Markus	Schulte	Frankfurt School Financial Services GmbH	Germany
Barbara	Drexler	Frankfurt School of Finance & Management GmbH	Germany
Verena	Quesnel	Frankfurt School of Finance & Management GmbH	Germany
Martha	De Pérez	Fundacion Génesis Empresarial	Guatemala
Juan	Niemann Enge	Fundación Génesis Empresarial	Guatemala
Adela	Sagastume De Rizzo	Fundación Génesis Empresarial	Guatemala
Edgardo	Perez	Fundación Génesis Empresarial	Guatemala
Rodrigo	Peláez	Fundación Microfinanzas BBVA	Spain
Jason	Rea	Fundsquare	Luxembourg
Rahal	Ahmed	GEMicro - IR Worldwide	United Kingdom
Diana	Cordes	GFA Consulting Group GmbH	Germany
Robert	Roth	GFA Consulting Group GmbH	Germany
Florian	Berndt	GIZ	Germany
Joscha	Albert	GIZ	Germany
Damian	Pilka	GLS Bank	Germany
Laura	Tallard	Goodwell Advisory Services	Netherlands
Dominique	Weiss	Grameen Credit Agricole Foundation	Luxembourg
Laurent	Chauvet	Grameen Credit Agricole Foundation	France
Violette	Cubier	Grameen Credit Agricole Foundation	France
Jürgen	Hammer	Grameen Credit Agricole Foundation	France
Jeanne	De Guillebon	Grameen Credit Agricole Foundation	Luxembourg
Eric	Campos	Grameen Credit Agricole Foundation	Luxembourg
Zahra	Khimdjee	Grameen-Jameel	France
Elodie	Gouillat	GRET / CGAP	France
Patrick	Mc Allister	Habitat for Humanity	United States
Tesfaye	Befekadu	Harbu Microfinance Institution Share Company, Ethiopia	Ethiopia
Mohamed	Asri	Hightech Payment Systems (HPS)	Morocco
Charles	Isingoma	Hofokam Ltd.	Uganda
Andre	Oertel	Horus Development Finance	France
Josée	Thyes	House of Training	Luxembourg
Nico	Binsfeld	House of Training	Luxembourg
Tisiana	Baguet	House of Training	Luxembourg
Fransien	Wolters	ICCO Terrafina Microfinance	Ethiopia
Mariel	Mensink	ICCO Terrafina Microfinance	Netherlands
Jonathan	Agwe	IFAD	Italy
Patricia	Richter	ILO	Switzerland
Yousra	Hamed	ILO	Switzerland
Simon	Priollaud	Inbox	France
Michel	Maquil	InFiNe.lu	Luxembourg
Catherine	Van Ouytsel	InFiNe.lu	Luxembourg

FIRST NAME	LAST NAME	ORGANISATION	COUNTRY
Julie	Bouchat	InFiNe.lu	Luxembourg
Justin	Sykes	Innovest Advisory	United Kingdom
Alessandra	Nibbio	Innpact	Luxembourg
Anita	Kover	Innpact	Luxembourg
Christelle	Champetter	Innpact	Luxembourg
Melis	Tuna	Innpact	Luxembourg
Paola	D'angelo	Innpact	Luxembourg
Rebecca	Maroko	Innpact	Luxembourg
Justine	Palermo	Inpulse	Belgium
Nicolas	Gérard	Inpulse	Belgium
Nicolas	Blondeau	Inpulse	Belgium
Thomas	Ronné	Inpulse	Belgium
Birgit	Galemann	International Finance Development	Germany
Birgit	Rauleder	IPC - Internationale Projekt Consult GmbH	Germany
Yannick	Horas	IPC - Internationale Projekt Consult GmbH	Germany
Thomas	Stauß	IPConcept (Luxemburg) S.A.	Luxembourg
Alan	Moore	Irish League of Credit Unions Foundation / e-MFP	Ireland
Ahmed	Laasri	JAIDA	Morocco
Fatima Zohra	Bensaid	JAIDA	Morocco
Ibrahima	Keïta	Kafo Jiginew	Mali
Roshaneh	Zafar	Kashf Foundation	Pakistan
Carmen	Colla	KfW Development Bank	Germany
Hocine	Nadem	KPMG	Luxembourg
Jane	Wilkinson	KPMG	Luxembourg
Kenneth	Okakwu	LAPO Microfinance Bank	Nigeria
Gilly	Mathieson	LFF	Luxembourg
Hermann	Beythan	Linklaters	Luxembourg
Kaspar	Wansleben	LMDF	Luxembourg
Kenneth	Hay	LMDF	Luxembourg
Apricot	Wilson	LMDF	Luxembourg
István	Kaknics-ujhelyi	Local Enterprise Agency Heves County	Hungary
Thomas	Diosi	Local Enterprise Agency Heves County	Hungary
Zoltán	Farkas	Local Enterprise Agency Heves County	Hungary
Zoltan	Stefan	Local Enterprise Agency Heves County	Hungary
Vincent	Glaesener	Lux-Development	Luxembourg
Eleanor	De Rosmorduc	Luxembourg for Finance	Luxembourg
Christian	Hertz	Luxembourg Investment Solutions	Luxembourg
Annemarie	Arens	LuxFLAG	Luxembourg
Sachin S	Vankalas	LuxFLAG	Luxembourg
Mohamed	Attanda	MAIN (Microfinance African Institutions Network)	Togo
Christian	Schmitz	MAIN (Microfinance African Institutions Network)	Togo
Constanze	Lehmann	Mambu	Germany
Quentin	Barria	Mambu	Germany
Grzegorz	Galusek	MFC	Poland
David	Macak	MFI Insight Analytics	Belgium
Yasser	El Jasouli Sidi	MFI Insight Analytics	Belgium

FIRST NAME	LAST NAME	ORGANISATION	COUNTRY
Rajnish	Dhall	Micro Housing Finance Corporation Limited	India
Bob	Summers	MicroCapital	United States
Sadina	Bina	Microcredit foundation EKI	Bosnia and Herze-govina
Tima	Bećirović	Microcredit foundation EKI	Bosnia and Herze-govina
Frances	Sinha	Micro-Credit Ratings International Limited	India
Sanjay	Sinha	Micro-Credit Ratings International Limited	India
Raluca	Dumitrescu	MicroEnergy International GmbH	Germany
Natalia	Realpe Carrillo	MicroEnergy International GmbH	Germany
Katarzyna	Pawlak	Microfinance Centre	Poland
Allan Robert	Sicat	Microfinance Council of the Philippines, Inc.	Philippines
Jose Victor	Lobrigo	Microfinance Council of the Philippines, Inc.	Philippines
Rolan Glenn	Salazar	Microfinance Council of the Philippines, Inc. (DevSEA Program)	Philippines
Valdete	Berisha	Microfinance Gateway	USA
Abdallah	Mze. Dafiné Assadillah	Microfinance Institutions Network (MFIN)	Comoros
Sugandh	Saxena	Microfinance Institutions Network (MFIN)	India
Aldo	Moauro	Microfinanza Rating	Italy
Lucia	Spaggiari	Microfinanza Rating	Cameroon
Annalisa	Bianchessi	Microinsurance Network	Luxembourg
Samuel	Paulus	Microlux	Luxembourg
Graham	Wright	MicroSave	United Kingdom
Amira	Sakr	Mi-fi	Switzerland
Damian	Durrer	Mi-fi	Switzerland
Jean Martin	Coulibaly	Ministère de l'éducation nationale et de l'alphabétisation	Burkina Faso
Sami	Masri	Ministry of Finance	Luxembourg
Elvira	Veijer	Ministry of Foreign Affairs	Netherlands
Philippe	Mores	Ministry of Foreign and European Affairs	Luxembourg
Manuel	Tonnar	Ministry of Foreign and European Affairs	Luxembourg
Marc	Bichler	Ministry of Foreign and European Affairs / e-MFP	Luxembourg
Martine	Schommer	Ministry of Foreign and European Affairs / e-MFP	Luxembourg
Blaine	Stephens	MIX	United States
Jeffrey	Binstock	MIX	United States
Yoely	Sangana	Mucoba Bank PLC	Tanzania
Dave	Van Niekerk	MyBucks	Luxembourg
James	Militzer	NextBillion	United States
Janardan	Dev Pant	Nirdhan Utthan Bank Ltd.	Nepal
Josien	Sluijs	NpM Inclusive Finance Platform / e-MFP	Netherlands
Muhammad	Tahir Waqar	NRSP	Pakistan
Andreas	Schleicher	OECD	France
Agnes	Majorossy	Oikocredit	Netherlands
Arjan	Kieneker	Oikocredit	Netherlands
Laura	Gärtner	Oikocredit	Netherlands
Sonja	Ooms	Oikocredit	Netherlands
Thelma	Brenes Muñoz	Oikocredit	Netherlands
Guillermo	Salcedo Jimenez	Oikocredit	Netherlands
Alex	Silva	OMTRIX	Costa Rica

FIRST NAME	LAST NAME	ORGANISATION	COUNTRY
Lorna	Li	OMTRIX	Costa Rica
Alexis	Lebel	OpenCBS	Hong Kong
John Robert	Okware	Opportunity Bank Uganda Limited	Uganda
Lukas	Wellen	Opportunity EduFinance	Netherlands
Cristina	Koliopoulos	Opportunity International	United States
Faye	Ruck-Nightingale	Opportunity International	United Kingdom
Nathan	Byrd	Opportunity international	United Kingdom
Vicki	Escarra	Opportunity International	United States
Antonio	Separovic	Oradian	Croatia
Bruno	Molijn	Oxfam Novib	Netherlands
Fedde	Potjer	Oxfam Novib	Netherlands
Miryam	Nouri	OXUS Development Network	France
Jacinta	Kamemba	PAMIGA	France
Charline	Jan	PAMIGA	France
Mathieu	Merceret	PFSA	France
Pete	Sparreboom	PHB Development	France
Philippe	Breul	PHB Development	Belgium
Victorin	Salifou	PHB Development	Belgium
Joana	Silva Afonso	Portsmouth Business School	United Kingdom
Pauline	Angoso	Proparco	France
Matthieu	Lauzier	PwC	Luxembourg
Valérie	Arnold	PwC	Luxembourg
Andreas	Drossel	PwC	Luxembourg
Benedikt	Hoffmann	Quipu GmbH	Germany
Dita	Jaka	Quipu GmbH	Germany
Igor	Makzhanov	Quipu GmbH	Germany
Jonathan	Whittle	Quona Capital	United States
Bakir	Lashkari	Rabobank Foundation	Netherlands
Michaël	De Groot	Rabobank Foundation	Netherlands
Pierre	Van Hedel	Rabobank Foundation / e-MFP	Netherlands
Zacchaeus I.	Syengo	Rafiki Microfinance Bank	Kenya
Carlos	Rojas	REDCAMIF	Luxembourg
Ivan	Gutierrez	REDCAMIF	Luxembourg
Amjad	Idais	reef 4 finance	Palestine
Hans	Boehm	responsAbility Management Company S.A.	Luxembourg
Johann Georg	Will	responsAbility Management Company S.A. / e-MFP	Luxembourg
Elena	Johansson	Responsible Investor / ESG Magazine	United Kingdom
Kevin	Fryatt	Risk management Initiative in Microfinance (RIM)	United States
Dissanayake	John Shiran	Sahanra Capital Corporation Limited	Sri Lanka
Julie	Torres-Szantyr	SIDI	France
Justine	Maytraud	SIDI	France
Anne-Sophie	BOUGOUIN	SIDI/FEFISOL	France
Joyce	Owusu-dabo	Sinapi Aba Savings and Loans	Ghana
Raoul	Thill	SiYOU	Luxembourg
Ahmed	Shehata	Social Fund For Development	Egypt
Ayman	Abdallah	Social Fund For Development	Egypt

FIRST NAME	LAST NAME	ORGANISATION	COUNTRY
Charlene	Bachman	Software Group	Bulgaria
Teodora	Krastanova	Software Group	Bulgaria
Yasmin	Olteanu	SOLARKIOSK	Germany
Aurélien	Van Caloen	Solvay Brussels School of Economics and Management	Belgium
Thomas	Ronné	Solvay Brussels School of Economics and Management	Belgium
Gaëlle	Guignard	Solvay Brussels School of Economics and Management	Belgium
Nicolas	Ternon	Solvay Brussels School of Economics and Management	Belgium
Claire	Stoeckel	SOS Faim	Belgium
François	Legac	SOS Faim	Luxembourg
Niclaus	Bergmann	Sparkassenstiftung für internationale Kooperation	Germany
Amelia	Greenberg	SPTF	United States
Laura	Foose	SPTF	United States
Francis	Vazheparambil	Standard Microfinance Bank Limited	Nigeria
Lisa	Nestor	Stellar.org	United States
Harriet	Mulyanti	Stromme Microfinance	Uganda
Jean-louis	Perrier	Suricate Solutions	Luxembourg
Dana	Ellis	Swiss Capacity Building Facility	Switzerland
Mario	Wilhelm	Swiss Re Management Ltd	Switzerland
Marina	Parashkevova Holmegaard	Symbiotics SA	Switzerland
Sophie	Vincent	Symbiotics SA	Belgium
John	Staheli	Symbiotics SA	Switzerland
Roland	Dominicé	Symbiotics SA	Switzerland
Jonas	Luini	TCX	Netherlands
Marcus	Wiemann	The Alliance for Rural Electrification (ARE)	Belgium
Ruth	Dueck-mbeba	The MasterCard Foundation	Canada
Otgontsetseg	Tseveg	Transcapital NBFI	Mongolia
Adysti Raissa	Fitri	Triodos Investment Management	Netherlands
Frank	Streppel	Triodos Investment Management	Netherlands
Matthijs	van der Hoorn	Triodos Investment Management	Netherlands
Petra	Spaargaren	Triodos Investment Management	Netherlands
Christophe	Bochatay	Triple Jump	Netherlands
Claudia	Vroom	Triple Jump	Netherlands
Jan-henrik	Kuhlmann	Triple Jump	Netherlands
Mark	Van Doesburgh	Triple Jump	Netherlands
Natalie	Compagner-kearney	Triple Jump	Netherlands
Adèle	Voyeux	ULB	United Kingdom
Ivo	Segnou	ULB	Belgium
Moise	Iraus	ULB	Belgium
Ahmed	Dermish	UNCDF	Belgium
Paul	Luchtenburg	UNCDF	Myanmar
Tim	Reutemann	UNEP DTU Partnership	Denmark
Micol	Pistelli	UNHCR	Switzerland
Imelde	Adjaffon	Universite Libre de Bruxelles / Solvay Brussels School	Belgium
Josué	Lwanzo Lusambo	Université Libre de Bruxelles/ Solvay Brussels School of Economics and Management	Belgium
Horace Emilson	Biny	Université Libre de Buruxelles	Belgium

FIRST NAME	LAST NAME	ORGANISATION	COUNTRY
Jessica	Herrera	University of Amsterdam	Netherlands
Davide	Castellani	University of Bergamo	Italy
Noah	Nzeribe	University of Bournemouth	United Kingdom
Elizabeth	Bermeo	University of Bristol	United Kingdom
Bernd	Balkenhol	University of Geneva	Switzerland
Alberto	Lanzavecchia	University of Padova	Italy
Giulia	Corso	University of Turin	Italy
Edmund	Higenbottam	Verdant Capital	Mauritius
Amanda	Kamin	VisionFund International	United Kingdom
Barry	Firth	VisionFund International	United Kingdom
Isabelle	Nowak	VisionFund International	United Kingdom
Sophie	Hoult	VisionFund International	United Kingdom
Stewart	McCulloch	VisionFund International	United Kingdom
Rommel	Caringal	VisionFund Myanmar	Myanmar
Désiré	Didavi	VITAL FINANCE	Benin
Wakil	Adjibi	VITAL FINANCE	Benin
Jessica	Jacobson	Water.org	United States
Kavita	Bali	Women's World Banking	United States
Mary Ellen	Iskenderian	Women's World Banking	United States
Anna	Gincherman	Women's World Banking	United States
Aimee	Suarez	WSBI-ESBG / e-MFP	Belgium
Rafael	Migani Monteiro		Switzerland
Christine	Meier		Germany
Karen	Hazan		Belgium
Cecilia	Bassi		Belgium
Alois	Nyanhete		
Bessem	Mbarek		
Christmelina	T. Caringal		
Faker	Haleb		
Fatoumata	Camara Sanfo		
Franziska	Heidenreich		
Hanen	Missaoui		Luxembourg
Jérémie	Chapet		
James	Houessou		
Karen	Fajardo		
Mahmoud	Mansour		
Nejla	Ben Abdallah		
Nicolo	Francavilla		
Olivier	Ervyn		Belgium
Patrice	Deladrier		Belgium
Patrick	Bilbault		Luxembourg
Roswita	Meyer		Luxembourg

EUROPEAN MICROFINANCE PLATFORM

The European Microfinance Platform (e-MFP) is the leading network of European organisations and individuals active in the microfinance/financial inclusion sector in developing countries. Now in its tenth year, it has grown to 130 members from all geographic regions and specialisations of the European microfinance community, including consultants & support service providers, investors, multilateral & national development agencies, NGOs and researchers.

Up to two billion people remain financially excluded. To address this, the Platform seeks to promote co-operation, dialogue and innovation among these diverse stakeholders working in developing countries. e-MFP fosters activities which increase global access to affordable, quality sustainable and inclusive financial services for the un(der)banked by driving knowledge-sharing, partnership development and innovation.

Executive Secretariat

European Microfinance Platform (e-MFP)
39 rue Glesener
L-1631 Luxembourg
contact@e-mfp.eu
www.e-mfp.eu

European Microfinance Platform (e-MFP)
39 rue Glesener, L-1631 Luxembourg
Tel: +352 26 27 13 82
contact@e-mfp.eu

An electronic version of this document is available at www.european-microfinance-week.eu

ISBN 978-2-9199449-1-0

www.european-microfinance-week.eu

European Microfinance Week 2016 sponsors:

Platinum sponsor

Triple Jump

Other sponsors

European Investment Bank

arendt & medernach

Linklaters

EFSE

symbiotics

InFiNe Inclusive Finance Network Luxembourg

Oikocredit

Rabobank Foundation

alfi

Verdant Capital

Credit Suisse

Supported by Deutsche Asset & Wealth Management

ada

Organisateur de la SAM
- Semaine Africaine de la Microfinance -

SoftwareGroup

Media partners:

MicroCapital

next billion

CGAP Microfinance Gateway

CGAP Portail Microfinance

DevelopmentFinance

responsible-investor.com

With the support of:

THE GOVERNMENT
OF THE GRAND-DUCHY OF LUXEMBOURG
Ministry of Foreign and European Affairs

Directorate for Development Cooperation
and Humanitarian Affairs

THE GOVERNMENT
OF THE GRAND-DUCHY OF LUXEMBOURG
Ministry of Finance

NEXT EUROPEAN MICROFINANCE WEEK

29th November - 1st December 2017

If you are interested in sponsoring this year's event and positioning your organization at the forefront of the microfinance sector, please contact the Secretariat at contact@e-mfp.eu www.e-mfp.eu

With the support of:

THE GOVERNMENT
OF THE GRAND-DUCHY OF LUXEMBOURG
Ministry of Foreign and European Affairs

Directorate for Development Cooperation
and Humanitarian Affairs

THE GOVERNMENT
OF THE GRAND-DUCHY OF LUXEMBOURG
Ministry of Finance