A Message from the Director

Dear members and partners,

Years follow but are not alike.

The year 2017 began with the strong cooperation of MAIN and its members. We would like to thank you for the trust you have shown in us in the year 2016 and will do our best to ensure that your satisfaction exceeds your expectation in 2017.

Inclusive finance is getting more and more professional in the continent and new tools have been developed that your network can make use of and benefit out of it. Africa’s microfinance ecosystem is very different nowadays from what it used to be despite the sector’s slow development compared with other parts of the world and yet it has an important potential growth and innovation that we would like to share with you.

Among the many changes that enable Africa to emerge as a growing continent, the introduction of digital sphere plays an important role as that of economic and social development that has become inevitable. Hence, microfinance institutions incorporated such an important technological revolution and made it part of their financial system. Accordingly, MAIN has scheduled to conduct two training sessions on digital finance in the year 2017, one for francophone and one for English-speaking members.

We hope to see you in one of the upcoming trainings which are intended to scale up your institution’s digital financial system.

MAIN, counts on the support and active involvement of its members institution for better achievements of its programs.

Best Regards,

Mohamed ATTANDA
Executive Director
GREEN MICRO-FINANCE

Green microfinance has resulted in access to renewable energy and ecoenergy efficiency, credits promoting best ecological practices and a sustainable agriculture. Operations that are adapting to climate change such as agro forestry, silva-pastoral systems; organic farming also constitutes green-microfinance area of implementation.

It is a booming sector that is articulated in 3 major points:

- **Strategy**: consists in integrating environment at a political, commercial and institutional level
- **Risk**: related to the introduction of tools and procedures to reduce the environmental footprint of the MFIs and of their clients.
- **Opportunities**: allowing offer to credits as a gift to support green product purchase and the implementation of environmentally friendly practices. It also includes non-financial products such as training and sensitization on environmental issues.

Currently, one of the major issues for green microfinance is to define a good business model as well as indicators to measure its impact. It is the development of a product but also of a practice that is promoted through green microfinance. It implies a commitment on the part of the clients to change its habits. On a larger scale, green microfinance contributes to the protection of the environment.

**Sources**: [https://www.microfinancegateway.org/fr/library/pour-quoi-et-comment-aller-vers-une-microfinance-verte](https://www.microfinancegateway.org/fr/library/pour-quoi-et-comment-aller-vers-une-microfinance-verte)

MOBILE PAYMENT SYSTEMS

Mobile payment systems being at its infant stage in Africa are not expected to be to the level where it is effective to its users though its rapid introduction and wide practice within its users should speed and deliver what its clients expect.

According to the Research and Analysis group -The Economist Intelligent Unit- Tanzania is the most committed state in the implementation of reforms and promoting inclusive finance. It is partly due to the “mobile money” services that has impacted the growth of inclusive finance.

Two acts were passed in 2015: the national payment systems Acts and the Electronic Transaction Act – leading mobile operators - that offer a mobile payment service- to classify their activities. According to the Central Bank of Tanzania, these acts are believed to protect and benefit clients.

It is also to protect its fellow citizens that the Prefect of the Littoral in Benin has introduced mobile money. This makes it possible to combat armed robberies. For example, purchases valued at FCPA 50,000 or more are settled by mobile money in the supermarkets and hypermarkets of Cotonou.

Ecobank has launched a bank mobile service: Masterpass QR. It is already working in Nigeria and should be developed in 33 states of sub-Saharan Africa. Micro, small and medium companies would then be able to use electronic payment.

CROWD FUNDING IN AFRICA:
A NEW GENERATION OF TONTINE

Crowd funding has become an increasing funding resource for projects these past ten years. In Africa, this phenomenon has re-actualized tontines – an ancient practice-through an innovative one.

Indeed, one of the main obstacles to the development of “equity crowd funding” lies in the lack of digital access for a large part of the population in Africa. To overcome/ alleviate this, some platforms are trying to develop an “SMS-funding” service. It would be delivered thanks to a premium-rate number.

Cash contribution / financial contribution would be transferred to investors through this number and the project holders would get the main part of the money. It turns the operator into a tontine manager.


BOOSTING INCLUSIVE GROWTH IN AFRICA

The Africa SME Programme supports African local Financial Institutions (FIs) with long term liquidity (Lines of Credit) and with technical assistance to be able to successfully provide relevant financing to local small and medium sized enterprises (SMEs) and to build larger and good quality SME loan portfolios. The Programme can also support the FIs’ SME clients to ensure better loan application preparations (for example, development of business plans, financial literacy training, etc.). The programme is accessible to banks and to regulated specialized financing houses such as leasing companies and other Non-Bank Financing Institutions, including Micro-Financing Institutions with a SME portfolio. The ultimate beneficiaries of this Programme are local SMEs, seeking adequately priced offerings to finance their business investments and overall business activities. The AfDB does not finance SMEs directly. AfDB supports local financial institutions in such a way that they will increasingly see SMEs as a real and successful market opportunity.

Through the Africa SME Program, the AfDB seeks to address shortcomings in the local market supply and demand for financing between financial institutions and SMEs, so that funding becomes more easily available to the benefit of both the financial institutions and the SMEs.

The scope of instruments of the program might be widened to other instruments in due course, however, for the moment the prevailing instrument includes Lines of Credits.

The Africa SME Programme is initially a 4-year Program, but may be extended depending on its operational performance. It will seek to identify and process requests to support up to 25 Financial Institutions with a total Programme envelop amount of USD 125 million. A portion will be dedicated to financial institutions focusing on women entrepreneurs.

Further information: http://sme.finance.afdb.org/

Sources: https://smefinanceforum.org/post/the-afdb%E2%80%99s-africa-sme-program-leveraging-financial-institutions-to-enhance-sme-lending
UPCOMING EVENTS:

1 - Training on Digital finance, Addis Ababa- Ethiopia, March 27-31, 2017
3 - Training on Digital Finance, Lomé-Togo, April 24-28, 2017
4 - Training on rural finance & risk management, Bukavu, DRC, May 15-19, 2017
5 - Annual SPTF meeting, México, Mexique June 6-8, 2017