Semaine Africaine de la Microfinance

Dakar, SÉNÉGAL

29 juin - 3 juillet 2015

Accelerating Innovative Rural Finance in Africa

2015 Report

Editorial

We were exactly 547 participants from 49 countries of which 36 were African, representing 300 organizations active in inclusive financing including 123 MFIs, 20 MFI networks, 75 NGOs and 50 investors. For an entire week, we focused on the theme "Accelerating Innovative Rural Finance in Africa", both during the conference as well as throughout the 30 events organized alongside the conference by the MFI networks, NGOs, donors, investors and other stakeholders active on the African continent.

Why choose this theme?

Because in Africa, funding agriculture and economic activity in rural areas is fundamental to substantially improving living conditions.

Because over a quarter of the population in sub-Saharan Africa does not have access to adequate nutrition, and approximately 70% is dispersed in undeveloped rural areas.

Because the African population is expected to double by 2050, it is urgent to develop innovative financial solutions that can stimulate food production, develop agriculture and transform rural areas.

Because today there exist solutions, innovations, and successful niches that enable reconciling sustainable development, financing small farms and value chains, and improving rural area living standards, while respecting environmental protection.

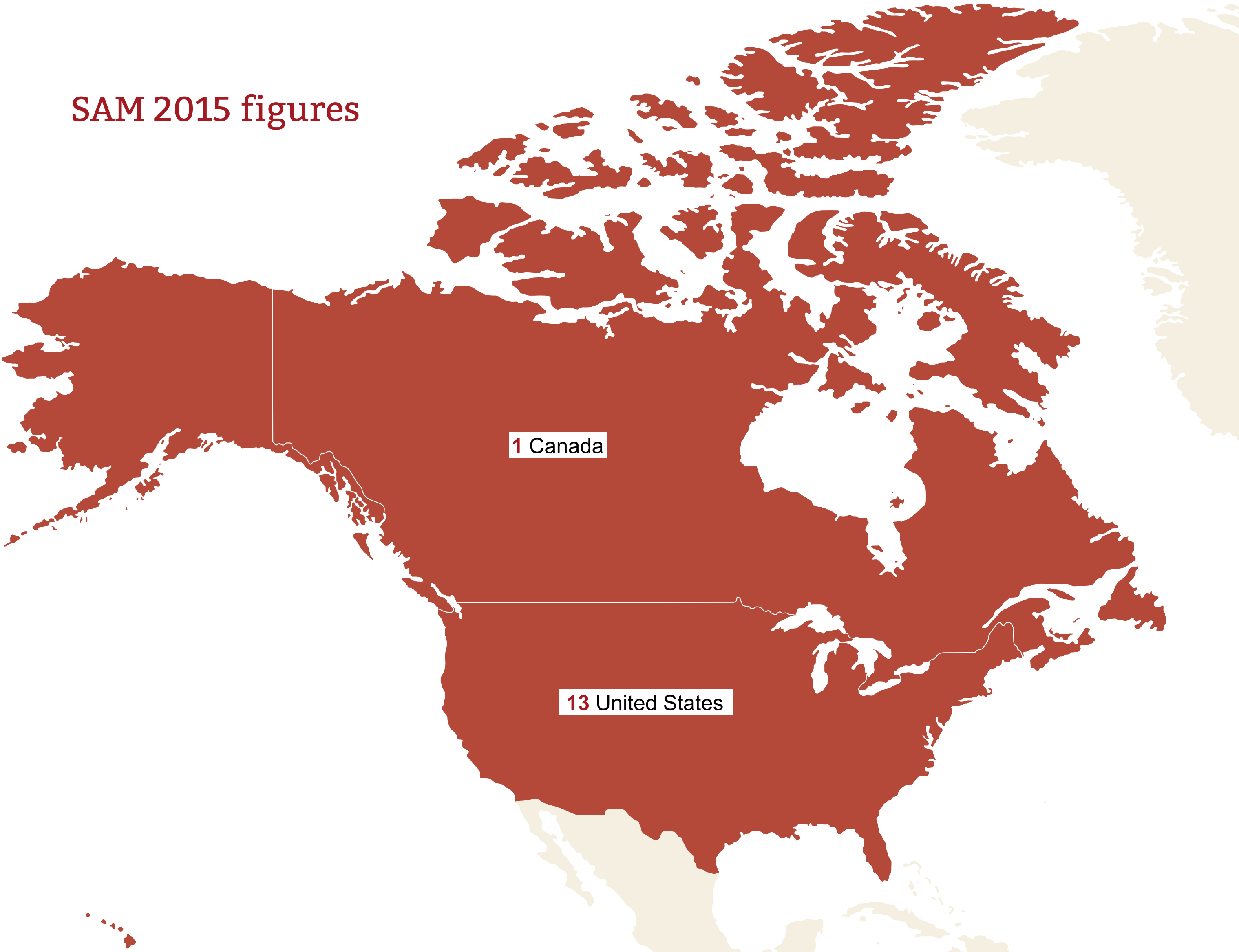
Several of these solutions were presented, discussed, and critically analyzed throughout the second African Microfinance Week (SAM) and are included in this SAM II Report. You can also find the minutes of the various ancillary events that marked the week including the Innovation Fair, Investor Fair, and the Research Meets Africa Colloquium.

You can download the conference session presentations, the Innovation Fair exhibitors, and the research papers presented at the Research Meets Africa Colloquium from our SAM dedicated website at **www.microfinance-afrique.org**.

Thank you for your participation!

The SAM organization committee

SAM 2015 figures

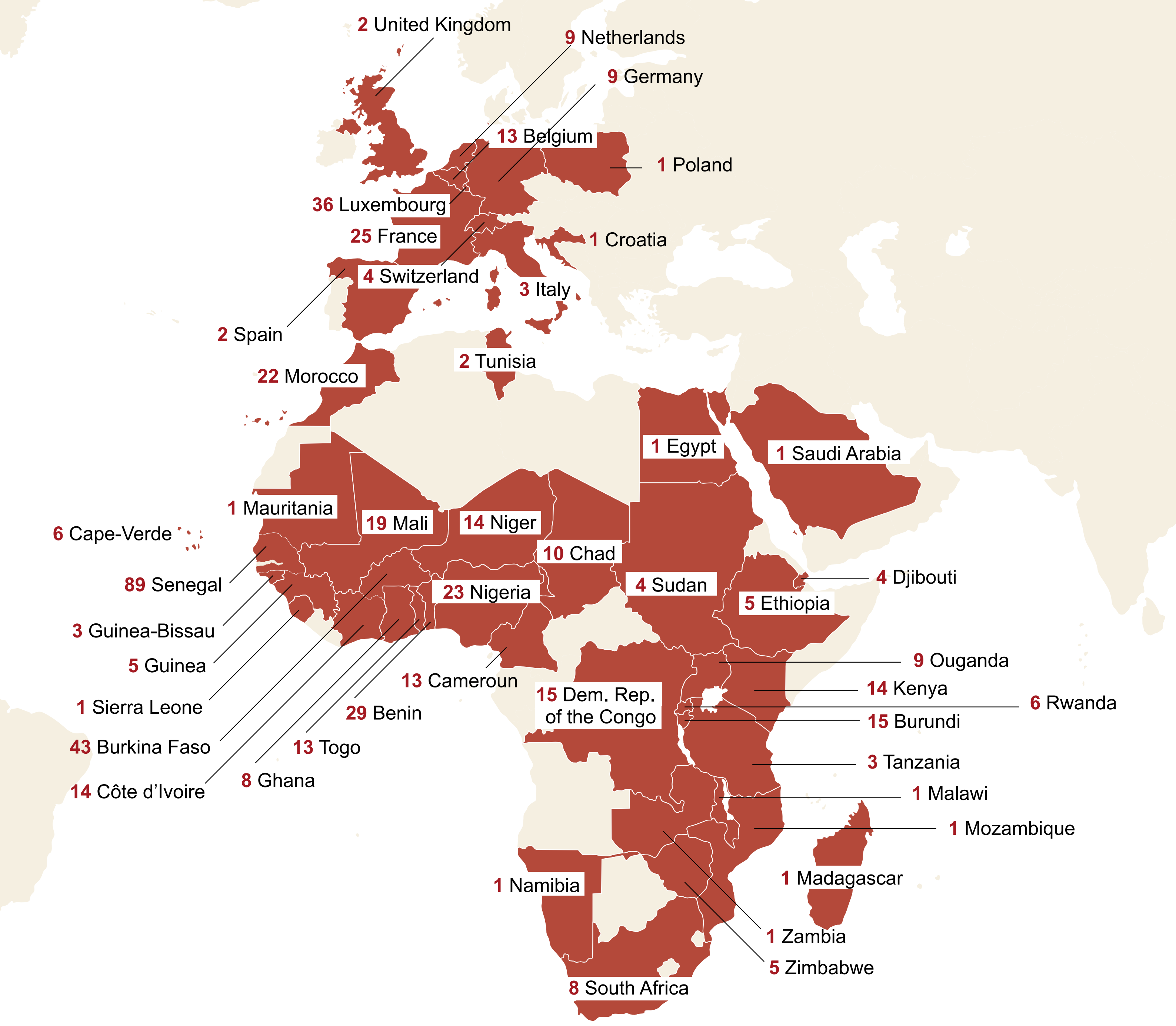


Approximately 300 different organizations were represented, including:

- 50 investors
- 123 MFIs
- 63 public institutions
- 75 NGOs
- 57 private companies

49 countries

were represented,
including 36 African ones



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de la Microfinance
Dakar, SÉNÉGAL
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African Microfinance Week (SAM) 2015 is an initiative of the African networks - AMT, AFMIN, AFRACA, and MAIN, supported by ADA as well as the governments of Senegal and the Grand Duchy of Luxembourg.

We would like to thank our institutional partners

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Delegate Ministry in charge of Microfinance and Solidarity Economy
MICROFINANCE DEPARTMENT

LE GOUVERNEMENT
DU GRAND-DUCHÉ DE LUXEMBOURG
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Theme introduction session:
Financing agriculture and rural areas in Africa: An overview

Moderator Luc Vandeweerd, ADA, Luxembourg

The introductory session's main objective was to provide a broad outline of rural financing in Africa. Above all this was to provide answers to the following questions: "Who finances today?" Who is receiving priority funding? Who is benefitting from financial services in Africa today? "What kind of services are being offered and are they adapted to the needs of the rural populations?"

From the outset, Luc Vandeweerd has been saying that it does not seem very wise to focus attention on the numbers as they tend to vary according to the source and the wording used to define the rural area, small family farms, and large farms.

Four key figures, however, are being used to set the scene:

- According to the Food and Agriculture Organization (FAO), there are now 570 million farms in the world.
- Over 90% of these farms are managed by an individual or a family, and 410 million are less than one hectare.
- In Sub-Saharan Africa, 80% of agricultural land is being managed by small farmers.
- 17 million young people each year enter the labor market in Africa each year.

It is also important to mention that banking or financial inclusion is low or very low in these southern countries, and rates are even less if we are talking about rural financial inclusion.

Download the session presentations at www.microfinance-afrique.org

Speaker Adolfo Brizzi, IFAD, Italy

Rural area financing is still largely governmental (75%), the rest (25%) is done by the private sector (2013 figures).

34% of African adults have a bank account. In recent years there has been a major push towards financial inclusion, particularly encouraged by the development of electronic accounts. In Tanzania, over the last five years for example, the use of electronic accounts increased from 0 to 50%. These accounts primarily fill people's need for savings and money transfers (debit or credit, or sending and receiving).

Another question: how can public funds be more efficiently used to encourage more private funds in rural financing. A wide variety of financial tools exist such as migrant remittances, matching grants, credit lines, micro-insurance, and value chain financing, but the problem is these tools are not interconnected.

An opportunity exists to try to efficiently combine public and private efforts to meet customer needs.

Speaker Bonnie Brusky, Cerise, France

Bonnie Brusky presented an agriculture funding model based on a project developed within the framework of a fair trade initiative. Specifically, this study was carried out by Cerise on funds used to pre-finance fair trade production campaigns. These funds are based on tripartite contracts made between producer organizations, an importer and a financier. This approach enables financing producers as much as 50% to 70% before the end of production. However, the disbursement deadlines require the producer organizations to anticipate financing the final producer.

Product quality is another aspect that may affect financing. Indeed, importers may refuse the goods if their quality does not meet market determined criteria.

The study points out a certain amount of success in the cocoa and coffee sectors, and it would be a good idea to extend this form of funding to other sectors and other producer organizations, including technical assistance and capacity building of producer groups and producers themselves.

Speaker

Erick Sile, GIZ/Making Finance Work for Africa, Ivory Coast

Mr. Sile began by referring to the commitment made by the African Heads of State to allocate at least 10% of their respective national budgets to agriculture (Maputo Declaration). Unfortunately, few countries today respect this pledge as we have seen a reduction in budgetary commitments to the agricultural sector. Conversely and as an example to be followed, Mr. Sile cites Rwanda which, through its public agriculture sector investments, was able to ensure an average annual growth rate of 5% between 1999 and 2012. During the same period, on a national level, family income increased by 40% in the poorest quintile of the population and 20% in the next two quintiles of the poorest population.

Speaker

Massimo Pera, FAO, Italy

According to Mr. Pera, opportunities exist to provide financial services to various groups of people in the agricultural sector that remain virtually untapped. This assertion is consistent with the increase in demand for agricultural goods since 1994; demand that was met on the supply side of agricultural goods during the same period. Until the late 90s the source of the increased supply originated from an intensification of agricultural techniques (ever more inputs). Since then, the supply increase has mainly been due to higher agricultural productivity. The traditional financial sector only played a limited role in this increase. Indeed, the fact remains that the financing of the agricultural sector does not match the weight of this sector in the GDP; this is a gulf that remains to be bridged. FAO found that 55% of those located in agricultural areas in Africa engage in saving and/or borrowing. By contrast, only 5% to 15% pass through formal financial institutions. An opportunity thus exists for financial institutions to work with the different value chain stakeholders. Examples of the profitability of this approach based on identifying and exploiting deficiencies in various agricultural value chains exists across the entire African continent.

Speaker

Eugene Serufuli, Minister of Rural Development of the DRC

The DRC's agricultural potential is quite high, given its young population, good rainfall, and the amount of its available arable land. Much remains to be done, however. At the ministerial level, they are trying to slow down the rural exodus of young people by building basic infrastructure which provides access to water and electricity. At the same time, training centers are being set up to strengthen the capacities of the population, especially young people and women, by providing training as well as agricultural products. To provide agricultural inputs, access to financing by the populations also remains a priority. The problem persists that financial institutions, banks and MFIs are lacking, or non-existent in rural areas of the DRC.

Official Opening Ceremony

The 2015 African Microfinance Week (SAM) received the High Patronage of His Excellency Mr. Macky Sall, President of the Republic of Senegal

Mr. Luca Lazzaroli, CEO and Deputy Chief of Operations, European Investment Bank, Luxembourg

Mr. Moustapha Diop, Delegate Minister, Ministry of Women, Family and Children, responsible for microfinance and solidarity-based economy, Senegal

Mr. Lamine Gueye, President of APSFD Senegal and Mr. Romain Schneider, Minister, Ministry of Cooperation and Humanitarian Action, Luxembourg

Madam Khady Dior Ndiaye, CEO of Citibank Senegal





1st PLENARY SESSION:
Accelerating innovative rural and agricultural finance in Africa

Moderator Makarimi Adechoubou, Specialist in Inclusive Finance, Benin

Speaker Edvardas Bumsteinas, Director of the Microfinance Unit, EIB, Luxembourg

The EIB has been active in Africa for 50 years and the agricultural sector is its main area of intervention. Indeed, infrastructure investments in this area remain paramount. For example, only 6% of Africa's arable land is irrigated. Equally crucial are investments in infrastructure that can provide access to energy sources. In addition to financing infrastructure, investments in education and health care for rural populations are equally important.

On the other hand, Africa is the continent that borrows the most for education and entrepreneurship, which can be taken as a good indicator of the continent's potential. There is an entrepreneurial spirit that deserves to be supported. In this sense, innovative partnerships are required and such partnerships must involve a variety of investors including local banks, MFIs and NGOs.

Partnerships signed between the EIB and the Regional MSME Investment Fund for Sub-Saharan Africa (REGMIFA) and the Participatory Microfinance Group for Africa (PAMIGA) serve as examples of good practice and other partnerships of this type should be encouraged. Experts like the International Fund for Agricultural Development (IFAD) can also support the EIB in its various programs allocating financial resources to various actors on the continent.

At the same time, the EIB does not exclude government agencies, on the contrary. Before funding a Bank, we talk with national authorities, in particular the Department of Agriculture for rural areas, to understand and take into consideration their development objectives. Next, it is helpful to have strong partners in the field capable of supporting a joint action.

Speaker

Frédéric Ponsot, Inclusive finance and money transfer specialist, Technical Assistance and Public Policy Department, IFAD, Italy

Mr. Ponsot focused his talk on the importance of migrant money transfers in a development process. According to his experience, money transfers are invested in basic necessities such as clothes, food and housing. These investments help reduce precarity and poverty. Recipients of remittances may also choose to invest these funds to establish or improve an entrepreneurial activity, to purchase equipment or use it as collateral for future loans. However, alternatives to purchasing basic goods or services remains limited, although migrant money transfers can have a significant leverage effect.

In this context for example, IFAD supports a migrant money transfer project to finance the agricultural sector in Somalia.

To maximize the benefit of these financial flows, it is necessary to strengthen the microfinance institutions' capacity to absorb larger investments, and educate potential clients about the financial products available to them.

Speaker

Patrick Akinwuntan, Director of Retail Banking, Ecobank Transnational Inc. (ETI), Togo

Operating in rural areas involves adapting, particularly in terms of risk management strategies. It is impossible to have the same risk management approach towards a farmer and an SME. In rural areas, it is often a matter of integrity and knowing exactly who you are dealing with. Therefore, it is imperative to define methodologies for identifying and managing specific risks adapted to rural inhabitants.
One possibility may be to refer to the individual's reputation within his community. Ecobank also uses a rating method based on savings and repayment records that allows granting new credits faster. Similarly, a civil servant who earns a regular salary has the ability to plan his financial resources. A merchant or a farmer, on the other hand, may experience fluctuating revenue on a daily basis. He needs a safe place to keep his money. To address this need, Ecobank developed a system of daily savings collection using agents (*susu collectors*) starting from one dollar per day and free of charge. The network of agents is made up of local associations, clients thus avoid having to go to an ATM or a branch of the bank. Ecobank also found that it is often women who take care of a family's health. Thus, the bank offers today a micro-insurance policy coupled with a savings product. The bank is also exploring potential partnerships with insurers, cooperatives and other distributors. All these stakeholders make up the fabric of the community upon which Ecobank wants to build rather than compete.

Speaker André Okou, Department of financial sector development - Financial Inclusion Division, African Development Bank, Ivory Coast

The AfDB is currently developing its 2015-2017 strategy focusing on technical and financial support for agricultural value chains, with the objective of raising agriculture to the forefront of AfDB commitments. It is a question of supporting the various actors in the value chains, be they financial or non-financial, who can then carry along in their wake "the entire ecosystem". Under this new strategy, particular attention is being paid to new technologies and their deployment. To ensure more targeted and efficient synergies between partners, the AfDB created a fundraising and partnership development department.

Speaker Raphaël de Guerre, Financial Inclusion Project Manager, French Development Agency (AFD), France

Agriculture accounts for 40% of the world's workforce. One possibility for strengthening the capacities of farmers is to encourage their grouping together in co-operatives, for example, to achieve economies of scale and thus increase their power of negotiation (e.g. for the purchase of fertilizers). To attract more investors, it is essential to develop agricultural value chains while guaranteeing their sustainability.

At the same time, the value of agricultural products must be increased, exports boosted and digital finance developed.

Parallel session:
Strengthening MFIs operating in rural areas: Issues and challenges

Moderator El Hadji Diop, Grameen Crédit Agricole Microfinance Foundation, Senegal

The session was essentially devoted to the question of how MFIs operating in rural areas could improve their performance and achieve their social goals while reinforcing and ensuring their financial autonomy. To illustrate these themes, 3 MFI experiences were shared, as well as a macro analysis of the existing challenges for institutions working in rural areas.

Although the obstacles put forward by different MFIs are similar - higher transaction costs in rural areas, risks related to rural activities, lack of skills and resources, and lack of infrastructure, capacity-building strategies, however, are different. Nevertheless, some elements such as qualified personnel, the use of information and management systems, and evaluating the institution's performance have been mentioned repeatedly.

The speakers also highlighted the fact that when one operates in rural areas, offering financial services alone is not enough. It is important to combine it with non-financial services.

Speaker Y. Thérèse Yameogo, ASIENA, Burkina Faso

Taking her experience in ASIENA as a starting point for her talk, Madam Yameogo reiterated the importance of building lasting institutions without losing sight of the social mission. This dual objective may entail changing required skills within the MFI, in particular in the areas of risk management and internal audit. Institutional transformations often require strong partnerships and external support.

Since it was formed in 2002, ASIENA encountered difficulties addressing the poorest populations and contributing to improving their living standards. To meet these objectives, the institution uses tools like PPI, and on top of financial, it also offers non-financial services (financial training).

To achieve these goals and build sustainable institutions, it helps to be close to customers, to have a certain control over their activities, maintain a committed staff, provide products that meet client needs, and analyze the degree of customer satisfaction.

Speaker Paschal Mandhawun, ENCOT, Uganda

ENCOT is a Ugandan microfinance institution specifically dedicated to farmers, especially women in rural areas. The main difficulty the MFI faces today is accessing funding to enable it to fund its growth and expand its activities. The possibility of transforming the institution into a corporation is currently under study. For this, ENCOT is seeking corporate investors to assist the institution's growth without sacrificing its social objectives. At the same time, the institution needs to strengthen its human capacities, in particular in the areas of risk management and internal audit.

Speaker Dieudonné E. Gnanvo, RENACA, Benin

In RENACA's case, a Beninese NGO that become an MFI in 1993, deep institutional transformations resulted in permanent evaluations and adjustments, which once more demonstrates the importance of carrying out external assessments in order to also be able to anticipate upcoming challenges.

For an MFI operating in rural areas, the lack of a stable source of energy constitutes a major obstacle insofar as it impedes the use of management information systems. Access to solar energy helps eliminate this barrier.

Working in rural areas implies higher operational costs, and unstable financial income. To deal with these challenges, it is important to study this environment in depth and target the most promising branches.

Speaker Claude Torre, AFD, France

According to this representative of the French Development Agency (AFD), the agriculture sector involves several risks: climate risk, instability of the after markets, high price of agricultural inputs, storage problems, labelling problems, and presenting products in a very competitive market. To address these issues, other stakeholders should be implicated such as governments, international institutions (IFAD, FAO, etc.), and banks that may be operating in the sector in order to create a positive environment capable of supporting the MFI. Creating this environment is equivalent to confirming the need to strengthen MFI capacities, as well as government skills, and to increase the degree of transparency. This "multi-stakeholder" approach enables better identification and coverage of the risks inherent in this activity.

Parallel session:

How to develop a sustainable, appropriate and accessible financing for young farmers in African countries?

Moderator Betty Wampfler, IRC/SupAgro, France

Main questions asked:

1. What do young people require in order to ensure their development?
2. What is the real motivation of someone seeking to work in the agricultural sector?
3. What is society's perception of the agricultural sector?

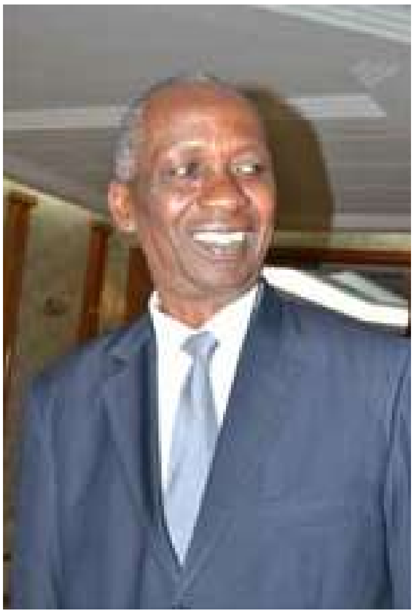
To answer these questions a systemic approach is needed. Generally speaking, to be young and running a rural activity is considered doubly risky. It is therefore necessary to revise the perception that has been made of the rural sector.

Africa is going through high population growth and youth unemployment is at disturbing levels, which leads to situations of poverty that substantially increase the risk of violence and social crisis. A solution to this (alarming) situation could come from family agriculture. For this to occur, it is necessary to create or develop conditions for sustainably establishing the youth, and this requires funding.

Speaker Moussa Gassama, PAMECAS, Senegal

Mr. Gassama underlined the importance of creating a situation of food self-sufficiency.

The PAMECAS network was established in 1995 and now has 657,000 members. Its activities cover the entire Senegalese territory and are distributed among 95 agencies. The institution developed a program aimed at the younger population, called "Ndoorte" (startup, in wolof), based on the slogan "the future is now". This program, supported by the United Nations Capital Development Fund (UNCDF), is aimed at young people between 12 and 24. Its goal is to familiarize the younger population with financial institutions by offering savings and credit products combined with an offer of financial education. The program provides access to financing against a 10% down payment instead of 25%, at a rate of 1.5% and funding between CFA 200,000 and CFA 1.5 million. PAMECAS supports young people, formalizes groups to obtain funding, puts them in touch with organizations providing support, and encourages the creation of value chains.





Speaker Aseh Emmanuel Vitung, C2D-AFOP , Cameroon

Supporting vocational training, AFOP is an agriculture development program in Cameroon aimed in particular at assisting young people in their professional training. The program's secondary objectives involve rejuvenating the workforce in rural areas, developing stable jobs, creating wealth, and territorial development. The program revolves around 75 training centers that each recruit 35 young people on an annual basis. Those selected follow training courses alternating both in the field and at the center for two years. Despite some failures, 28 young people are trained on average. During training, the young people receive help elaborating a project, especially for anything related to market research and the development of a business plan, including financing. Microfinance representatives participate in their training.

Interaction with all local stakeholders is established as they are the ones who will be educating the young people and who are located at the heart of their integration, and for a better implementation of their projects.

The target population for this program is young people aged 17 to 35 - often youths in difficulty returning from the city. To be selected, the family of the young person must support him by providing a plot of land. Another criterion of selection is to have successfully completed a primary education.

Accounting management of the projects is provided by the MFI in an attempt to give more credibility to the project. One of the main difficulties is the lack of confidence in the youth and agricultural activities, the jealousy and interference in the project management on the part of the family, and the project's sustainability, especially the marketing of products.

Speaker

Azaratou Sondo, RCPB, Burkina Faso

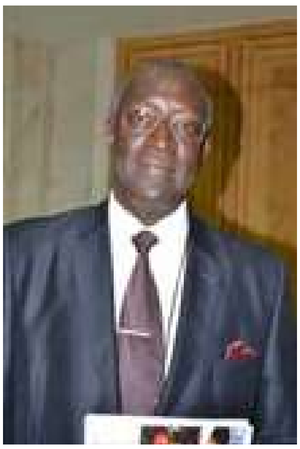
The RCPB banking network, established in 1972, also has youth project funding experience. Their offer is intended for young people aged between 15 and 35 with low levels of education and low income levels. In the agricultural sector, it is mainly subsistence farming which is supported by the provision of services. As secondary objectives, the RCPB seeks to better organize agricultural markets, thus avoiding rural exodus. To achieve these objectives, the RCPB identified needs in agricultural and financial training. Financial needs are mainly associated with the acquisition of equipment, and the purchase of cattle or land.

Included among the constraints to financing rural youths listed by the RCPB are:

- Inconsistent Cash Flow
- Price volatility at harvest time
- Weak organization of young producers
- Low level of training
- Low level of market knowledge and access to the market
- Lack of tools

To these constraints can be added other challenges such as the geographic dispersal of young people all over the territory, which makes their access to finance more difficult (lack of infrastructure), 'natural' youth mobility, lack of agricultural and financial training, and the mobilization of the necessary resources.

However, the challenges are not only a lack of training or funding. The regulatory framework, the organization of markets, and the coordination of various interventions are also just as relevant. Consequently, involvement of the authorities remains essential.



Parallel session:
MFIs in agricultural micro-insurance – from theory to practice

Moderator Yann Gelister, Grameen Crédit Agricole Microfinance Foundation, France

Speakers Sébastien Weber, Planet Guarantee, Senegal
Adama Camara, Soro Yiriwaso, Mali
Stella Wambui Ndirangu, ACRE, Kenya

The session addressed indexed insurance in rural areas, its advantages and existing barriers. In the beginning the panel composed of MFIs and an insurance broker raised the question of how to further stimulate MFIs' interest in microinsurance. A primary interest for MFIs and those that operate in rural areas is the direct management of the inherent and specific risks to the rural environment (climate for example). A second argument in favor of microinsurance is the fact that it allows sustainable agricultural activity insofar as it provides more stable farm income and thus better planning.

From the perspective of clients, insurance is still a new product. It is thus necessary to convince them of the benefits of these new products and highlight the advantages of subscribing to a policy. Insurance is a product that makes its own advertising and also its counter-advertising. When insurance is not claimed due to satisfactory rainfall levels over several years, doubts settle in among customers. On the contrary, when claims are paid, this shows the interest in subscribing to insurance.

Another argument, which plays in favor of insurance, is when the latter enables access to financing and even increases the level of such funding. In contrast, for the moment, in most cases insurance is voluntary not mandatory for accessing credit, with the exception of required life insurance on credit.

In terms of distribution channels, MFIs should not be considered the only alternatives. Indeed, innovative partnerships with other stakeholders are recommended or even required to reach rural areas. In particular, it is possible to work with value chain players such as input distributors. These additional distribution channels thus complement the MFIs' existing offer.

It is important not to neglect the 'confidence' variable applied to insurance. An established relationship between a financial institution and its customers relies mostly on trust. The same goes for insurance. A financial institution's positive reputation contributes to a better promotion of insurance. Finally, keeping the product simple and good training for insurance agents are always important characteristics that facilitate its marketing.

In terms of barriers, there are currently operational difficulties in the MFIs, in particular knowledge of the insurance product and the relatively low commissions related to this activity. This last aspect makes insurance less attractive from the point of view of the MFIs' business development.

To overcome these barriers, it is necessary to establish innovative partnerships between the various stakeholders, or even design new mechanisms between insurance and credit. When an insurance premium is paid, "crossing off" the part of the credit covered by insurance could be considered. This would increase the MFI clients' interest in microinsurance.

Parallel session:
Innovative finance mechanisms for rural areas

Moderator Alou Sidibe, CIF, Burkina Faso

Speaker Hamadou Sonde, RCPB, Burkina Faso (Micro-leasing experience in Burkina Faso)

RCPB plays a key role in financial services in rural areas. Indeed, the RCPB network is currently the only financial institution that covers the entirety of the Burkina Faso territory. Specifically, for rural areas RCPB offers individual or group credits, life insurance, agricultural insurance, and finally micro-leasing for the purchase of agricultural equipment. To launch the latter, RCPB first made a feasibility study, financed by ADA. The study in question was able to identify five types of agricultural equipment that may be financed through micro-leasing. These were basically tractors and motorized pumps. When the decision is made to fund this kind of equipment, it is essential to establish partnerships with suppliers, and even the producers of such equipment. These partnerships allow training in the use of the equipment, as well as maintenance guarantees on the equipment. Insurers are also fundamental players in the proper functioning of the established business plan.

At the present time, the product's complexity and parameters are among the most important difficulties making it hard to market.

Speaker Riadh Naouar, IFC (Micro-leasing experience in Sri Lanka)

Data from an analysis conducted by Oxford Economics in 2011 explains the motivations behind the use of leasing/micro-leasing products. Among the main arguments of this study are the absence of collateral guarantees as well as the lower operational costs compared with those of credit. The business plan, related to the leasing/micro-leasing model, is based on the triangle formed by the final customer, the equipment supplier, and the leasing facilitator. Some positive factors associated with this type of product are the affordability of the service and the existence of a competitive secondary market (once a leasing contract has reached its term).

A key Sri Lankan player is the Central Finance Company Plc that makes micro and medium loans to individuals or groups, as well as a variety of leasing products in variable amounts, schedules and repayment periods.

Half of the leasing products in Sri Lanka are aimed at rural areas and go towards acquiring agricultural equipment.

Reimbursement defaults for these products are very low when compared to credit defaults (1.9%).




Speaker El Hadji Moussa Diongue, URMECS, Senegal

Mr. Diongue presented URMECS' approach to financing access to sanitation facilities and associated value chains in Senegal.

The institution decided to focus on two Senegalese communities that include 4,000 households with an average of 9 individuals. Among these individuals, 53% are within the poorest of the poor, while the other half of the target population is poor and moderately poor. Products ranging from basic latrines to luxury facilities are offered according to the user groups. This program helped initiate the development of value chains around these products. Indeed, the chain includes the producers, installers, and hygiene services (waste collection), all of which must be developed and therefore financed.

Speaker Cheikh Bara Diouf, Crédit Mutuel du Sénégal, Senegal

The example highlighted by Crédit Mutuel du Senegal (CMS) is also based on a rural area funding model, in particular rural area value chains.

In this sense, CMS established a center for agricultural financing regarded as a key factor for the program's success. Value chains that are funded in priority are corn, rice, and horticulture. This funding is located at several levels. Insurance is an integral component of the financing offer. Then, technical assistance agreements, especially for technical training, were established with several technical partners. The CMS uses "mobile bank windows" to offer their services in rural areas, in the form of buses or trucks.

Speaker Housseini Ahssimi Mamadou, CIPMEN, Niger

Another funding mechanism that remains relatively 'young' but is experiencing rapid growth is participatory financing or "crowdfunding". This funding method is based on 4 different models: donations, rewards, loans, and equity participation. Crowdfunding has democratized access to financing, and facilitated access to different types of investors and financing sources. Crowdfunding platforms enable large-scale communication campaigns and help validate entrepreneurial projects. A successful example put forward in this presentation is the "Coolest" project which is actually an ice cooling system that also allows playing music. This project was funded through the "Babyloan" platform.

2nd Plenary Session:
What are the new strategies for funding social entrepreneurship in rural areas?

Moderator Ousmane Thiongane, President AFMIN, Senegal

Speaker Henri Dommel, Director of the Inclusive Finance Unit, UNCDF, USA

From the UNCDF's perspective, it is important to understand the sources and seasonality of family farm income. In effect, the latter diversify their income sources using a risk management strategy. This approach stems from a Consultative Group to Assist the Poor (CGAP) initiative "Financial Innovation for Smallholder Families"[1] combined with the UNCDF tool "Making Access Possible (MAP)"[2]. To develop the MAP tool, UNCDF partnered with two South African NGOs, the Centre for Financial Regulation and Inclusion (Cenfri) and FinMark Trust. The MAP tool helped carry out Finscope surveys for 12 countries; surveys that also reviewed existing regulatory frameworks, distribution channels, the current situation of financial services offered, and their usefulness for small farmers. The survey results are then used to perform a market segmentation in terms of customers and products, and to identify cost reduction possibilities. The importance of such data for the private sector is reflected in the fact that, in South Africa, these surveys were paid for by the private sector. UNCDF notes, however, that governments do not always see the links between financial inclusion, job creation, women's empowerment, and financing agriculture. To achieve these multiple objectives, UNCDF established partnerships with several stakeholders. In Burkina Faso, for example, UNCDF partnered with Freedom from Hunger, Ecobank and the RCPB to set up a digital platform to mobilize savings in rural areas. Added to this are technical assistance programs from stakeholder partners.

Other themes addressed by UNCDF, besides the digital platforms, are savings plans for young people, micro-leasing and youth entrepreneurship.

[1] http://www.cgap.org/topics/financial-innovation-smallholder-families
[2] http://www.uncdf.org/en/map

Speaker Mark Rueegg, CEO CelsiusPro, Switzerland

Monitoring and interpreting climate data are an important source of information for MFIs seeking to work in rural areas, as this allows assessing and possibly managing climate risk. Knowledge of climate behavior also offers opportunities to diversify the range of financial products, such as insurance covering the risks related to climate.

The quantity and quality of satellite climate data are now ensured and available, which allows developing financial products adapted to the different contexts. It is thus possible to exploit the technical data required to make an informed decision from the MFIs point of view and to anticipate the productivity of the farmers' land. Since the beginning of 2015, a $60 million investment fund and €17 million in technical assistance for climate insurance was launched under the initiative of the German government. This fund can play a coordinating role between the different stakeholders.

Speaker Brian A. Kuwik, Senior Vice-President and Regional Head, ACCION, Ghana

ACCION feels it is necessary to adopt a more holistic approach to financial inclusion. Thus, over the last 2-3 years ACCION has participated in FINTECH in order to identify financial services able to support the value chains of rural and/or urban areas. Another ACCION approach involves supporting local entrepreneurs by directly investing in these activities. These investments support money transfer businesses in rural areas of Zambia and Malawi, for example. Another entrepreneur uses crowdfunding to support dairy farmers and grain producers in Kenya[1]. Passing from urban to rural areas as in Benin for example, ACCION concludes that good risk management together with implementing internal controls is needed during this expansion process. One of the lessons learned was to conduct market research before market expansion. Knowledge of the markets to be invested in is essential. Thus, identifying partners who already know the market is all important. However, market studies are only one step in the process. Once the product's concept is developed, it is necessary to test and adjust it taking market feedback into account. The process is iterative before moving to large-scale production.

[1] www.accion.org/content/accion-venture-lab-invests-kenyan-start-umati-capital

Speaker Renée Chao-Beroff, Director General, Pamiga, France

According to Madam Chao-Beroff, sustainable development and food security in particular is a intricate subject for which complex and cross-cutting responses are required. In this context, the initial innovation required is a methodological one. In other words, how can various stakeholders with different logic be taught to work together to build a food security project in a sustainable manner. Work on food security is not just increasing farmer productivity, it is also working on distribution, i.e. delivering the finished goods where they are needed.

Alongside financial products must be added non-financial products, technical assistance in other words. The era where we were convinced that only financial services mattered is over. To meet these challenges, a holistic approach is therefore necessary and paramount. To adopt this approach, Pamiga tests these ideas in the field and conducts specific research. Pamiga supports microfinance institutions with technical assistance in developing their products to meet customer needs, support the value chain, and increase access to water and energy. On the other hand, investment enables switching from small-scale agriculture to commercial farming. Financing agricultural equipment in this process is fundamental. For example, micro and small-scale irrigation are mitigation factors of rainfall risk. By ensuring water management, it is possible to produce year-round, thus increasing revenues and gradually become an agricultural entrepreneur.

What prevents the SMEs and micro-businesses from settling in rural areas is the energy cost. Enabling them access to solar or mixed energy contributes to lifting an obstacle. Access to solar energy requires technical assistance, further training, and equipment maintenance. Financing irrigation and access to energy in rural areas induces changes, has a transformative effect, and creates jobs.

An integrated approach implies intervention at all levels. For some MFIs, this means learning new trades. It is not enough to make marginal adjustments. It is sometimes necessary to create a funded department within the MFI to develop these new approaches.

The pilot project stage is crucial in this process. It can be longer thus more costly than initially planned, but it is still important to develop products over the long term.

Parallel session:
Joining forces between producer organizations and rural finance institutions: the key to the future financing of family farms

Moderator Betty Wampfler, IRC/SupAgro, France

Speakers Mahamadou Nouhou, Mooriben, Niger
Boly Faliry, Sexagon, Mali
Laurent Biot, SOS FAIM, Belgium
David Hiez, University of Luxembourg, Luxembourg

Each speaker started with a presentation of his institution and explained how it established or seeks to establish partnerships with rural financing institutions.

A lesson that emerged from the Mooriben representative's talk was that diversifying funding partnerships reduces risks, especially dependence on donors.

Sexagon is basically a syndicalist structure whose priorities are supplying agricultural inputs, providing access to equipment and material, marketing rice, and land security. As its trade union status prevented it from carrying out commercial activities, Sexagon mutated into a cooperative.

According to the experience of various institutions, to create a successful marriage between a producer organization and a microfinance institution, a transparent, permanent dialogue between the two structures is essential, as well as professional rigor in the reciprocal commitment.






Parallel session:
A human-centered approach to design Digital Financial Products for Smallholders

Moderator Sambou Coly, Mastercard Foundation, Canada

Speaker Abdoul Ba , myAgro, Senegal

MyAgro's approach is to try to achieve economies of scale by consolidating agricultural producers. Its intervention model is centered on agricultural producers, their needs and their abilities. MyAgro offers digital financial services to accelerate the financial inclusion of agricultural producers.







Speaker Corinne Riquet, CGAP, Ivory Coast

According to CGAP studies, income sources in rural areas go beyond revenue from agricultural activity. This aspect is important in order to provide non-agricultural financial products/ services. The offer must be diversified to meet the different needs of families living in rural areas.

To better understand his needs, the customer must be placed at the center of the new product/ service design process. Once the requirements are understood, prototypes must be developed to be then tested in the field. Where appropriate it is necessary to adapt them after initial experimentation. In this context and with this objective, CGAP has been using 'financial diaries' over the last 5 years to better understand the daily liquidity requirements of small farmers. CGAP also conducted a study on the house- holds of smallholder farmers.

Speaker Cameron Goldie-Scot, Musoni, Kenya

Musoni developed a digital application that increased the productivity of his loan officers by 68%. This application allows the loan officer to be with the client on-site and record a credit application. It is technically possible to respond to an application within 24 hours. This implies substantial cost reductions and increased efficiency. The application's development process involved both the customers and the loan officers, which enabled identifying the necessary adjustments thus ensuring the success of this innovation.

Discussion

During the open public discussions, the aspect of competition between mobile operators was examined. At the same time, consideration must be made that most poor families often do not have the means to understand new technology. A "human centered design" approach takes into account this variable in order to provide understandable services to populations that have little, or no literacy. New technologies also involve other risks such as the fight against potential fraud and the protection of personal data.

Parallel session:
The role of risk management best practices within the rural finance innovation process

Moderator Nelly Elimbi, Symbiotics S.A., South Africa

Speaker Kevin Fryatt, RIM, United States

An element to be taken into account when an institution decides to initiate an innovation process is to ensure that there is a real need. Often the basics of strategy, process and management of innovation-related risks are not well defined, understood, or managed, which increases the level of risk.

There is not one single solution applicable to all situations. Different institutions have different needs in terms of governance mechanisms (example: board of director expertise) and employee skills. Occasionally innovative projects related to new technologies are launched by an imitation or trend effect, more often for the sake of differentiation over the competition and therefore to increase profit margins. However, in order for an innovative project to have a positive impact on profit margins, it is essential to clarify the relationship between the project and the business plan in a precise manner. It is also necessary to be aware that such projects involve an investment and that there is a risk of financial loss over the short and long term.

Speaker Julien Mahuzier, Software Group, Kenya

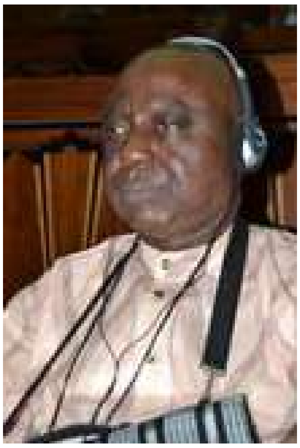
Mr. Mahuzier focused his talk on the technological requirements needed to implement innovative projects related to new technologies. To examine the technological possibilities required to implement such a project, institutions should anticipate including the necessary technological expertise beyond the person responsible for IT. Poor populations are generally open to new technologies, provided they see added value such as saving of time, money, and ease of use, etc.

Technological change must be accompanied by modifications to the institution's internal processes, and therefore any new technology introduced should be well prepared. Improvements through technology can increase the efficiency of the credit process for example, thus the productivity of the loan officers.

Finally, implementing technological projects requires external partnerships, which may involve risks to the financial institution's reputation (e.g. technological defects) and retention of customers.

Speaker Gareth Evans, Triple Jump, Netherlands

Technological solutions are often seen as reducing risk, but often they involve considering other risks. Technological solutions are presented as being able to contribute to reaching isolated rural populations. On the other hand, limitations of access and use of these technologies in rural areas are also a reality. Regulatory frameworks are often not suitable. Frequently too, the problems associated with the deployment of these new technologies lie on the supply side (governance, management, strategy, process, and skills, etc.) rather than on the side of the clients. Adding a technological component to already well established processes within the institution may prove to be more interesting (for example mobile credit groups).

Parallel session:
Social business in the development of agricultural value chain

Moderator Irène Serot Almeras, France

Speaker Aïssatou Le Blond, Grameen Crédit Agricole Fondation, France

Financing alone is not enough in the development of a value chain. The need to increase the capacity of individuals through the transfer of knowledge is real. It is necessary to improve the farmers' productivity, and the quality and security of their produce.

Transforming NGOs into social enterprises is an interesting approach, making them less dependent on donations and ensuring their financial sustainability through alternative financing sources. On the other hand, it is necessary to stabilize prices on the supply markets and the sale markets of agricultural products.

Speaker Kevin Torck, Senegalese Food Chain, Senegal

It is also necessary to develop local production capacities to ensure food security and reduce imports. For this, a collaboration between local producers is necessary and the MFIs can provide their support.

Local capacity development should be based on information from feasibility studies, on local value chains, and taking into account demand in terms of quality.

Speaker Bagoré Bathily, Laiterie du Berger, Senegal

This speaker also highlighted the need to develop local markets. To achieve this goal, local partnerships are needed as well as good marketing practices. By developing local markets, jobs are created and human resources are retained.

Speaker Laurent Liautaud, Niokobok, Senegal

For this speaker, the link between the diaspora and local development is very interesting. The diaspora may constitute a market for products and at the same time contribute to financing value chains. Knowing how to engage the diaspora in the consumption of agricultural products from their home countries is important.

The Niokobok approach involves establishing links between the diaspora and the agricultural material needs of the population back in their home country. Members of the diaspora can buy goods produced and distributed locally to their families.

Discussion

During exchanges with the participants, the focus was placed on developing local markets, conducting more feasibility studies, encouraging populations to consume 'locally', and also on the distinction between "CSR" and "social enterprise".

3rd Plenary Session:

Revitalizing rural finance in Africa: what is the role of microfinance networks?

Moderator René Azokly, Senior Microfinance Expert, West Africa Representative, Senegal

Speaker Yombo Odanou, Vice-President, AMT, Luxembourg

On this topic, the AMT's role was to establish links, by advocacy efforts, between MFIs and donors. To achieve this objective, AMT conducted a survey of its members dispersed in 43 countries. This survey identified good practices and some difficulties in the rural world. Among the first, what emerged was proximity to customers, partnerships with farmer organizations and crop insurance. The main difficulties are diseases and climatic conditions.

By setting up thematic workshops AMT offers its members opportunities to exchange rural finance know-how. Joint thematic workshops of interest for the four networks should be shared since similar strategies apply to all four.

Speaker Mitima Mpanano Remy, CEO, PAIDEK, RDC and Board member of MAIN

Support from MAIN's network for rural services dates back to at least 2002 when a workshop on rural finance was organized in Addis Ababa for the MFIs. MAIN cooperates with universities for training related to rural finance and develops tools with its members that can, for example, provide farmers guarantee funds.

The MAIN representative would like to see the different networks cooperate more in the future, especially on objectives common to all four networks, even after the SAM.

Speaker Caroll Bakang, AFRACA, Kenya

AFRACA brings together 120 institutions (including 14 central banks) from 34 different countries. Advocacy work with central banks requires a certain degree of patience. It took the Central Bank of Mozambique three years to pass regulations for mobile banking services. While these services are already in place in Tanzania and Kenya, the francophone African countries are lagging behind in developing their respective regulatory frameworks.

Over the last four years, the network has focused on training its members. The network now offers 22 training and capacity-building programs/workshops on a variety of topics. AFRACA promotes practical education and instructing trainers. This enables those trained to duplicate the program within their institutions thus reducing the costs of instruction, including transportation costs. In parallel, AFRACA works with universities to develop a degree in rural finance. With regard to collaborating with other networks, the training offered by AFRACA is open to non-members also.

Speaker Davy Serge AZAKPAME, Executive Director, AFMIN, Benin

As a network, AFMIN focuses on strengthening the capacities of its members, in order to add value to the MFI's activities. Specifically, AFMIN offers trainings on topics such as product development, thus enabling MFIs to develop products tailored to the needs of rural areas and contribute to financial inclusion.

AFMIN works on themes such as financial and social performance using PPI, a tool that allows better targeting of the poorest populations. Finally, AFMIN also serves as a platform for information exchange among members.

AFMIN would also like to see more collaborations between networks. For example, the creation of an advocacy group common to the four networks capable of putting pressure on governments and international institutions (ECOWAS, the African Union, etc.) to convince the latter to increase the funding of the rural sector. Finally, more intense collaboration between networks would allow greater coherence between their activities.

Parallel session:
The role of agricultural banks and their challenges to innovate

Moderator Erik Ekué, Consultant, Senegal

Speaker Malick Ndiaye, Caisse Nationale de Crédit Agricole, Senegal

Rural areas are often characterized by extreme poverty, a lack of infrastructure, challenges related to climate, and the education and training of the populations. For a banking structure seeking to establish itself in rural areas, it is essential to set up, as a first step, a department that can develop an expertise in the products and services offered in rural areas to then deliver the correct financial services. Various partnerships may also be needed to diversify the funding sources, in line with the example of the Caisse National de Credit Agricole that established partnerships with the Government of Senegal, the World Bank, the African Development Bank, and PlaNet Guarantee, etc. The diversification of partnerships allows varying the types of financing. When it comes to funding value chains, it is important to fund and strengthen the entire chain.

Regulatory frameworks are not always adapted to the various rural area challenges.

Finally, a complementarity between MFIs and agricultural banks is possible because they do not necessarily serve the same customers or offer the same type of funding.

Speaker Yves Komaclo, West Africa Regional Director, Oikocredit, Ivory Coast

From the investors' point of view, the challenges to be taken into account in rural areas are:

- Land access
- Limited access to the input and financial markets
- Limited knowledge of national and/or international trade markets
- Weak governance and poor management of the agricultural organizations

Several investors (Alterfin, Triodos, and Rabobank, etc.) with a perspective on socially responsible investments are currently working together in order to become catalysts. Oikocredit for example has developed a method for prioritizing investments in rural areas.

Speaker Rotimi Nihinlola, Director, Ecobank, Nigeria

According to this presentation, a bank that fails to provide microfinance will not be serving the needs of agricultural areas because the farms are small and these farmers are different from conventional entrepreneurs. The problem is not lack of money but lack of investment in agriculture (less than 5% of Africa's funding goes towards agriculture, although agriculture contributes substantially to GDP). The agricultural sector is often seen as too risky. Added to this is a lack of knowledge, skill, tools, and techniques within banks to fully understand and analyze agricultural markets in order to develop the right products and services. Efforts should be made to better understand the rural environment, which would then have an impact on risk management. To better understand the rural areas, partnerships providing complementary skills and knowledge should be pursued. Many of the existing risks can be covered by specific insurance products, but there is still a long way to go on this issue.

Banks catering to rural areas often have, as do farmers, a twofold objective: one of development and one of business. Banks and investors should think in terms of value chains, and their respective ecosystems.

Digital technology can help further penetrate rural areas, but its use also involves other challenges in terms of infrastructure and training.




Speaker

Fransien Wolters, ICCO Terrafina Microfinance, Netherlands

Investors and bankers should partner with MFIs to enter the rural sector. They should start with rural finance and then move on to agricultural finance, the latter being more specific, posing more challenges. Also, with agricultural finance an important role should be assigned to the producer organizations. These organizations can act as intermediaries between farmers, agricultural banks and investors. Financing value chains is a possibility, but it is necessary to clearly identify shortfalls in order to provide appropriate responses.

Discussion

Agricultural banks have become rare because they had limited success in the past and maintain a bad reputation. Traditional banks as well as investors are reluctant to invest in rural areas, despite the business potential of this sector.

An association between agricultural banks and MFIs sounds good in principle, however, experience shows that this is possible as long as MFIs refrain from entering the banks' operational areas. It may be necessary to clarify and structure the agricultural sector.

Parallel session:
Warrants: what can we learn from funding experiences?

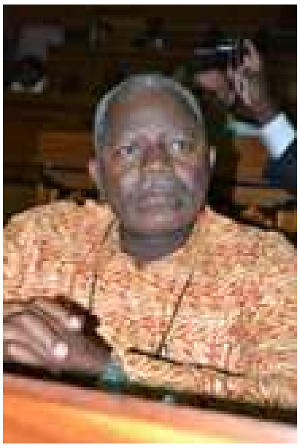
Moderator Oniankitan Grégoire Agai, IFDC/ACMA, Benin

Speaker Aurélia Dakpogan, IFDC/2SCALE, Ghana

The warehouse receipt is a beneficial system for producers but it requires commitment and motivation on the part of MFIs. To develop a good warehouse receipt product, the MFI must rely on institutional and external financial support. Indeed, this mechanism requires a lot of initial resources such as appropriate storage facilities, packaging material, and a control and management system.

Speaker Colette Kiki Houeze-Biga, CARE International/ ACMA, Benin/Togo

It is important to understand the market to identify the agricultural products that best lend themselves to warehouse receipts. The warehouse receipt system requires a commitment from the institutions and can help increase the bargaining power of agricultural producers.



Speaker Réki Moussa Hassane, ASUSU S.A., Niger

The warehouse receipt experience shared by this speaker is very positive. This system exists in two regions of Niger and is financially supported by commercial banks and other financial partners as well as by technical partners. The quality of the products before storage is key to the success of such a system as well as a certain adaptation of the financial services offered.

Speaker El Hadji Moussa Diao, U-iMCEC, Senegal

Warehouse receipt training of MFI staff and its management is essential to the success of the system. The warehouse receipt system allows access to financing (credit) without having to have physical collateral. Managing a portfolio of warehouse receipts can be difficult for an MFI if speculation occurs about the after-sales markets.






Discussion

During this session, four warehouse receipt credit experiences were presented. According to the various speakers, it is an innovative financing mechanism that facilitates access to credit for poor farmers who do not have the necessary guarantees. The resulting credit can be used for multiple expenses either personal or professional. Many MFIs have begun to adopt this mechanism in various ways depending on their context and their way of working. This system allows financing agricultural inputs, reduces transaction costs for buyers, reduces food insecurity and vulnerability to price changes on international markets, reduces MFI credit risk, and ultimately helps increase the bargaining power of agricultural producers.

According to all of the speakers, it is primordial to know the market to better understand the products that can be used in the warehouse receipt system. Also, creating partnerships with different stakeholders is essential. In particular, relations with farmer organizations must be solid and transparent. As for the challenges posed by the warehouse receipt system, shared experiences are similar, namely that the lack of infrastructure, skills and knowledge inhibits developing a good product and ensuring its sustainability.

Parallel session:
Green Microfinance in Africa: what are the partnerships of the future?

Moderator Benjamin Mackay, ADA, Luxembourg

Africa is the continent least responsible for climate change, but the hardest hit. This affects rural populations first by drought, land salinization, and the negative health effects on the rural people. Why protect the environment? Climate change mostly affects the poorest populations, therefore MFI clients.

Speaker Claire Le Ster, Entrepreneurs du Monde, Burkina Faso

Entrepreneurs du Monde launched energy access programs in 2010. In Burkina Faso, for example, during the 2010-2011 period, over 6000 improved stoves were distributed. The initial program was subsequently transformed into a social enterprise in 2014-2015. This transformation is still ongoing. The program enabled a number of obstacles to be identified, among which were: the number of products on the market, the low investment capacity, lack of information, and lack of distribution networks. Nafa Naana's business model attempts to address these barriers. The objective is to build the product offering, diversify financial services, and strengthen the financial and organizational viability, particularly the social mission and the evaluation. On the other hand, Nafa Naana's distribution strategy relies on a micro-franchise network system.

Speaker Racine Ly, Pamiga, Senegal

The objective of the Pamiga program is to provide green energy access to people who are not on the national grid. The program focuses on operational partnerships with 6 institutions. Through these partnerships, market studies are carried out with partner MFIs. Once the market is identified, Pamiga becomes involved in the product design. An "energy champion" is then designated within the MFI partner and becomes the contact person for the other partners. A division of tasks is then established between the partners before launching the pilot phase.

The program provides for the training of MFI staff but also the recruitment and training of 55 energy sector entrepreneurs. At present this operational model is in its geographic expansion phase.

Speaker Mathieu Soglonou, UNCDF, Senegal

UNCDF originated the CleanStart program. This program promotes the decentralized production of clean energy (solar pumping systems, improved stoves, and solar lanterns) thus removing access barriers to these energies. CleanStart has been operational since 2013, running on a budget of $6 million. Deployed in Nepal, Cameroon, Tanzania, Ethiopia and Uganda, the program is structured around four essential components: financing access to clean energy, technical assistance necessary for its use and maintenance, knowledge creation, training and mobilization, and partnerships.

In the near future, other partnerships will be sought, particularly in West Africa.

Speaker Virginia Sibanda, Virl Microfinance, Zimbabwe

Virl Microfinance's experience teaches us that customers with "green" characteristics are more successful. In effect, according to their experience, green energy is more long-lasting and less expensive. The institution uses the GPA tool (Green Performance Agenda) to develop a systemic approach, review the mission, and its vision after evaluation. Virl also uses geographical exclusion lists.

SAM Conclusions 2015
"Accelerating Innovative Rural Finance in Africa"

The SAM confirmed that, more than ever in Africa, funding agriculture and economic activity in rural areas is fundamental to substantially improving living conditions. Over a quarter of the population in sub-Saharan Africa does not have access to adequate nutrition, and approximately 70% is dispersed in undeveloped rural areas. It is urgent to develop innovative financial solutions that can stimulate food production, develop agriculture and transform rural areas. For the **Grameen Crédit Agricole Foundation**, the SAM encouraged new lines of collaboration between the various stakeholders and enabled a reflection on the innovations in financing inclusive value chains. Furthermore, it offered a good insight into the development of remote banking through mobile phones and new technologies, that now make it possible to accelerate economic and financial inclusion of the rural areas, and the role of government and populations in these various areas.

One of the central objectives of the SAM was to design rural microfinance that is adapted to African realities. Over 30 breakout sessions and side events helped enrich the conference, by bringing together a large variety of stakeholders. Innovations are unevenly distributed in Africa and the SAM was a unique opportunity to discover the most relevant innovations for the rural world and also accelerate their dissemination for the well-being of African populations. In this sense, the week was a major success.

Does this mean that with the right recipes, new technology, niche successes that appear here and there on the continent, agriculture, rural areas and especially smallholder farmers in the near future will be better funded, and better integrated in the productive activities of value chains? **Alpha Ouedraogo**[1] wisely reminded us, moreover, in the concluding session of a few key ideas and convictions:

- Family farming is more than a combination of activities, it is a way of life, a way of production, a way of organization, and a way to maintain and reproduce social relations.

- The diversity of the agriculture, the diversity of stakeholders controlling the knowledge of this "agriculture", and the know-how of the farmers. The agricultural sector cannot just become a place where technological innovation, services, and financial products are transferred over from non-farmer "experts"!

- The ultimate goal of agriculture is to feed the population, and also create surpluses to trigger development.

In this sense, **Renée Chao Beroff** [2] fully agreed when she told us during the 2nd Plenary Session that funding was only one condition among others. The definition and quality of the financial products for rural populations and farmers, the production techniques, market organization, marketing infrastructure, agricultural inputs, and the organization of the value chain stakeholders are equally important. Today we must re-think the old microfinance belief that it was necessary to focus solely on financial services.

Indeed, agriculture is inherently a risky, random activity, and inefficient on a small scale. Climate change, commodity speculation, and the growing expropriation of land destabilizes family farms even more, as highlighted by **Isabelle Guérin** in her latest book[3]. This is also what incites the conventional financial institutions to avoid this type of clientele, including also many microfinance institutions, while the financing needs remain huge[4].

Luc Vandeweerd - ADA

1 Former Director of RCPB and CIFF
2 President of Pamiga
3 "Microfinance and its excesses. Empowering, exploiting or disciplining?" Paris, Editions Demopolis, 2015
4 Minutes of the 3.2 parallel session "The challenges of banks and investors in financing agriculture"

The 7th AMT Microfinance Investor's Fair

We would like to thank SIDI/FEFISOL and REGMIFA for sponsoring the 7th AMT Microfinance Investor's Fair!

Traditionally reserved for rated African MFIs, the 7th AMT Microfinance Investor's Fair was opened this year to all MFIs (Tiers 1, 2 and 3) of the continent.

The Microfinance Investor's Fair was the perfect opportunity to bring together African MFIs, investors, rating agencies, and support organizations active on the African continent. The main objectives of this unique event were both to facilitate and optimize contacts between African MFIs and investors in order to increase the MFIs' access to finance, and to promote an exchange of experience between participants.

This year, the Fair welcomed 17 investors, two rating agencies and over 60 MFIs. In total, 197 speed-dating meetings were organized throughout the day.

Organized annually since 2008 by AMT, the Microfinance Investor Fair offers a unique opportunity to meet a variety of transparent African MFIs and investors under one roof. Beyond seeking financing, it allows participants to talk about their practices and to keep abreast of industry news.

The Innovation Fair

Thank you to all our innovators and to the MasterCard Foundation for enabling the first edition of this Innovation Fair!

New technologies over the past few years have provided a glimpse of new perspectives to advance financial inclusion and improve access to basic services on the African continent. These innovations are unevenly distributed in Africa and the SAM is a unique opportunity to enable a wide audience to discover the most relevant innovations for the rural world and thus accelerate their dissemination for the well-being of Africa's rural populations.

The Innovation Fair offered innovators a privileged meeting place, each having a separate exhibition stand. The most relevant innovations for the rural world were the subject of a presentation followed by a public discussion.

Exhibitors belonged to the following areas:

- Distributors of financial services (savings, credit, insurance, and money transfers...) using the digital finance channel to meet the needs of small farmers
- Access providers to basic rural area services (water, energy based on photovoltaic solar panels and other alternative sources, health, and education).
- Irrigation system suppliers suitable for rural areas.
- Other innovative technologies serving rural African populations.

NAME	SECTOR	COUNTRY
ACRE	Agriculture	Kenya, Rwanda
Ensibuko	Agriculture	Uganda
Tech-Innov	Agriculture	Niger
Senergie AFD Sarl	Energy	Belgium
Union Technique de la Mutualité Malienne (UTM)	Health	Mali
BIMA	Insurance	Senegal
FarmDrive Ltd.	Market analysis	Kenya
CREOVA Sarl	Mobile banking	France
Ecobank	Mobile banking	Nigeria
JAIDA	MIS	Morocco
ATTADAMOUNE MF & NAPS	MIS	Morocco
Creditinfo Volo	MIS	Ivory Coast
AD Finance	MIS	Rwanda
INET CONSULTING	MIS	Cameroon
MEDIA SOFT SARL	MIS	Togo
Microfact	MIS	Luxembourg & Belgium
Musoni	MIS	Netherlands
Oradian	MIS	Croatia
Sensoft (CTISN)	MIS	Senegal


FARM DRIVE
JAIDA
SENSOFT & CTISN


MICROFACT
microfact
Strengthening microfinance and microinsurance
microfact


MUSONI
SENERGIE

Research Meets Africa

Dakar, SENEGAL
29 June 2015

The organizers of the African Microfinance Week (SAM) invited doctoral students, researchers and European and international experts, particularly African, to submit their research papers for the Research Meets Africa Colloquium, a UMM Colloquium organized jointly by ADA and Positive Planet on the theme "Promote research on innovation to accelerate rural financial inclusion in Africa".

The Colloquium met with great success:

- **23 responses** to the research paper request
- **10 research papers** were chosen through the selection platform - 2 of which were then awarded a prize by MFW4A of €6,000 each.
- **15 presentations** of researchers during the Colloquium
- **70 participants**

The presentations given during the Colloquium's various workshops are available free of charge at:

www.microfinance-afrique.org/fr/Research-Meets-Africa

The research papers will be published in December 2015, together with Positive Planet and MFW4A.

The Research Meets Africa Colloquium promotes research on innovation aimed at Africa's rural population. The Colloquium stimulated the sharing of knowledge between academics and stakeholders who are implementing inclusive finance initiatives in the field. It brings together experts from different fields liable to provide solutions to the problems of financial and social exclusion on the continent. This is a multidisciplinary forum that brings together engineers, regulators, suppliers of new technologies, agronomists and microfinance experts, to promote innovation and foster research more focused on local topics, with an international scope.

The African Microfinance Week also includes workshops, training sessions, and meetings organized by our partners alongside the two-day conference. Each organizer network also held their own general meeting.

Thanks to all our partners who contributed to the richness and diversity of the 2015 SAM!

FAO / ADA

Financial market assessment for the agricultural sector - Training

GRAMEEN Crédit Agricole Microfinance Foundation

Partner Forum of the African Facility Program

Microfact

Trainers meeting

SEEP / ADA / AFMIN

Africa Regional Network Summit 2015

GRAMEEN Crédit Agricole Microfinance Foundation and PlaNet Guarantee

Agricultural micro-insurance and MFIs: what are the ideal financing needs?

Microfact / ADA / BRS / ILO's Impact Innovation Facility / Microinsurance Network

Microinsurance workshop

e-MFP / ADA / GRAMEEN Crédit Agricole Microfinance Foundation

Workshop: Issues / constraints faced by those in charge of investing when handling the due diligence of the MFI third-party 2/3

CGAP

- New guidelines for donors: a systemic approach to financial inclusion
- Digital finance in the UEMOA region: What is the donors' role?

ADA / AFMIN
Steering Committee of the partners of the trainings developed by CGAP

MicroEnergy International
Green microfinance in West Africa: adapting international experience to local conditions

CERISE
SPI4 advanced training

AFMIN
General Assembly

SPTF
Introduction to the Universal Standards for SPM and the Responsible Microfinance Facility Project

AMT
- Board of Directors meeting
- General Assembly

FEFISOL
Workshop on technical assistance and social performance

MAIN
General Assembly

Organizers

For 20 years ADA has been a leading player in the field of microfinance in Luxembourg and abroad. ADA is a Luxembourgish NGO that works to promote inclusive finance worldwide. ADA is convinced that access to financial services can bring about a lasting improvement in the living conditions of poor populations. ADA pursues its goals with the backing of the Luxembourg Development Cooperation, which has extended its mandate by five more years (2012-2016).

www.ada-microfinance.org

Luxembourg's Development Cooperation has been committed for nearly 20 years to actively support the development of microfinance and inclusive finance. The Directorate for Development Cooperation and Humanitarian Affairs works with civil society stakeholders specialised in microfinance and contributes to the evolution of this sector through its contribution to the work of conceptualisation, its support for research and development of new tools, its political action in many national and international fora, its exchanges with its multilateral and bilateral partners, both public and private, or members of the civil society and through its financial commitment to a multitude of actors and programmes active in this area.

cooperation.mae.lu

The African Microfinance Network (AFMIN) is an association of microfinance networks in Africa. AFMIN was formally launched in November 2000 and has established its Secretariat in Abidjan (Ivory Coast).

www.afminetwork.org

The African Rural and Agricultural Credit Association brings together central banks, commercial banks, agricultural banks, microfinance institutions and national programs on financing agricultural and rural Africa. The vision of the association is that of a rural Africa where people will be able to access sustainable financial services for economic development.

www.afraca.org

Created in 2008, the African Microfinance Transparency forum aims to promote transparency and strengthen performance of Africa MFIs in order to improve the efficiency of their actions and activities in terms of poverty alleviation.

www.amt-forum.org

MAIN (Microfinance African Institutions Network) is an international nonprofit making association established in 1995, under the Togolese law, through the initiative of several institutions with long experience in microfinance and/or promoting microenterprises in Africa. Actually, MAIN counts 77 members from 23 countries, reaching 3'000'000 beneficiaries through their financial & non-financial service with an outstanding loan portfolio of USD 1.2 billion.

www.mainnetwork.org

Semaine Africaine de la Microfinance
www.microfinance-afrique.org

See you in 2017!

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