

# MAIN NEWS

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**The Board of Directors and the Executive Director of MAIN would like to thank you for your collaboration and support throughout the year 2016 and wish you a successful new year 2017**

<https://www.fb.me/reseaumain>



YouTube

<https://www.youtube.com/channel/UCD26eNOSrWpqJHTalfhsePQ>

[WWW.MAINNETWORK.ORG](http://WWW.MAINNETWORK.ORG)

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## A Message from the Director

### Dear members,

The year 2016 is coming to an end and is looking forward to welcome 2017. The ending year was an intense and busy year for MAIN; thanks to its already existing collaboration with the Central Africa Catholic University (UCAC), the Uganda Martyr University (UMU) and the West Africa Catholic University Togo Unit (UCAO-UTU) MAIN was able to run its long term university programmes as scheduled.

The thematic training sessions were also very rich and sharing of experiences and knowledge were once again the focus of each of the sessions.

We hope to see you in one of the upcoming events of MAIN in 2017.

We once again wish you a Warm and Happy Holiday Season and a Peaceful and Prosperous New Year.

**Mohamed ATTANDA**

**Executive Director**



## DIGITAL FINANCE

The exponential growth in the number of Internet and new technologies users has left room for reflection for microfinance practitioners. It gave birth to a new approach to financial inclusion.

Digital finance or Digital Financial Services have been identified as a new way of addressing poverty. They are financial services and products offered through a mobile phone and / or internet like the digital credit or mobile money used in Kenya by millions of people thanks to the M-Pesa mobile phone money transfer system. Digital finance does not require a proper financial infrastructure, but may involve agents.

Digital Finance's success can be measured with the implementation of the United Nations Equipment Fund's (UNCDF) Mobile Money for the Poor (MM4P) programme, but also with the decision of the African Development Bank (AfDB) to create an African Fund for Digital Finance earlier this year.

According to the UNCDF digital finance's potential is tremendous. The UN agency estimates that 6 out of 7 billions of the world population have a mobile phone. In this respect, they intend to extend the MM4P program to a larger number of countries. Already present in Benin, the programme hopes to "enable the popularization of digital financial services, particularly in rural areas" and to achieve the three key objectives of microfinance: to ensure financial and social performance while observing a positive effect on the environment.

Digital finance is of great interest not only to people but also to MFIs. Reduction of operating costs, increased number of customers through the possibility of greater geographical coverage, optimization of procedures, better profitability and efficiency are some of the advantages that MFIs can offer and benefit while offering digital financial services.



### Sources:

<http://www.slideshare.net/CGAP/an-introduction-to-digital-credit-resources-to-plan-a-deployment>

<http://www.uncdf.org/en/r%C3%A9sum%C3%A9-de-l'E2%80%99%C3%A9tude-de-march%C3%A9-demande-offre-et-%C3%A9cosyst%C3%A8me-de-la-finance-digitale-au-s%C3%A9n%C3%A9gal>

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# DEVELOPMENT OF ISLAMIC MICROFINANCE

Microfinance is defined today as the supply of appropriate financial services and products to unbanked people emerged in the late 1970s in Bangladesh, where nearly 90% of the population is Muslim.

If religion was not one of the principles on which the Grameen Bank – known to be the first microcredit institution was founded, successive developments in the sector have contributed to the emergence of a faith-based microfinance, "Islamic microfinance". Arising from Islamic finance, which is already much older, microfinance of the same name is better known and studied in Africa, a continent with several hundred million Muslims.

What is Islamic Microfinance? Islamic microfinance is not a new concept or practice in the microfinance sector. It has now been existed for a long time and has grown considerably in the recent years.

As the name suggests it, Islamic microfinance obeys to religious principles. Still, it presents many advantages. The Shari'a prohibits for example speculation and interest rates, often very high and difficult to repay by borrowers with very low income targeted by microfinance services. Sharia-based microfinance tends to encourage responsible investment and social responsibility for MFIs.

Islamic microfinance has great potential. One-third of the world's population living below the poverty line is Muslims. In Mali, a country with a large Muslim population, the microcredit sector has been very successful since the 1990s. Access to financial services and products from Islamic microfinance institutions would give the sector a new breath.

During the last quarter of this year, events around Islamic finance were many: the 12th edition of the Sanabel Conference held on 1-2 November 2016 in Casablanca, Morocco, during which experience and good practice sharing as well as the regulation of microfinance in the Arab countries were at stake.

From 8th to 9th November 2016, Kenya's capital city Nairobi, hosted the 6th World Forum on Islamic Finance. It focused on awards for influential personalities in the microfinance sector and hosted a two-day workshop on the management of an Islamic Microfinance Institution.

Finance and microfinance must adapt to change. These can offer new prospects for disadvantaged populations, allow them to embrace new opportunities and build a solid professional project while developing entrepreneurship skills to better meet their own needs.

## Sources:

<http://www.businessdailyafrica.com/Nairobi-hosts-global-forum-on-Islamic-finance/539552-3444314-v4bgt1/>

<http://www.sanabelconf.org/index.php/fr/>



## MICROFINANCE AND BIODIVERSITY

Microfinance is characterised by the access to financial products and services for unbanked people. Biodiversity refers to the biological diversity of animals including aquatic animals and all living things, fauna, flora and ecosystems.

Natural resources such as forests change. They are not what they were 30 years ago. The environment is deteriorating in some places; many species of animals and marine species are disappearing all over the world due to lack of awareness among public, especially low-income people, as shown by various studies.

In order to kill two birds with one stone, we should combine economic development and protection of the environment in areas exposed to high risk of environmental degradation. In some areas, the size of arable land is insufficient compared to the number of inhabitants. Thus, overexploited land undergoes a considerable decrease in production, leading to soil degradation, which is becoming less and less suitable for crops.

With a view of encouraging farmers and landowners to protect nature, a system of Payment for Environmental or Ecosystem Services (PES) is introduced. They are committed to cultivating their land while conserving the environment and biodiversity through ecological measures. This system has proved its worthiness among farmers and is beginning to be applied in the promotion of marine and coastal ecosystems.

The water bodies are deteriorating more and more due to being exposed to pollution mainly wastes dumped into the seas and oceans. The fisheries sector occupies an important place in Africa as in Asia and offers employment to millions of people and means of subsistence to their families who could appreciate the establishment of PES.

Environment protection and income generation are the two main objectives of several projects in Kenya and Tanzania.

Planting trees, growing vegetables, practicing beekeeping activities while generating income is possible and it is an environmental friendly alternate. In 1999, CARE set up a microfinance project in Tanzania in partnership with the Department of Commercial Crops, Fruit and Forestry and with the Jozani Association for Environmental Protection (JECA).

### Sources:

<http://www.eldis.org/vfile/upload/1/document/0811/Microfinance%20in%20East%20Africa%20WWF%20Care%20LTS.pdf>

## UPCOMING EVENTS :

- 1 - European Microfinance Summit, Barcelona, 26-27 January 2017
- 2 - Young Africa Works Summit, Praha, 16-17 February 2017
- 3 - Digital Financial Services, Addis Ababa, March 2017
- 4 - Digital Financial Services, Togo, April 2017
- 5 - East Africa Islamic Finance Summit, 2nd edition, 10-11 April 2017

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