



Press Release – for immediate release

Advans CI, ESAF Small Finance Bank, and KMF announced as Finalists for European Microfinance Award on *Financial Inclusion through Technology*

- Three finalists offer variety of back and front-end solutions adapted to different challenges
- Advans CI for its innovative digital payment and savings solution for cocoa farmers and cooperatives
- ESAF Small Finance Bank for its range of back and front end digital solutions for staff and clients alike
- KMF for its use of in-house software and tablets to serve clients in extremely remote areas of Kazakhstan
- Winner to be announced at Ceremony at European Investment Bank, Luxembourg on Thursday 15th November 2018
- 27 applications from 22 countries were evaluated against comprehensive criteria by two selection committees before three finalists go to High Jury

24th September 2018

Luxembourg

On the 20th of September, the Selection Committee for the European Microfinance Award 2018 on “Financial Inclusion through Technology” chose the three finalists who will go on to compete for the €100,000 prize: Advans CI of Ivory Coast, ESAF Small Finance Bank of India, and KMF of Kazakhstan.

This year, the Award has highlighted the role of technology in advancing financial inclusion, showing how technology-enabled services and solutions can help financial services providers such as microfinance institutions increase outreach to low-income and vulnerable segments, offering products and services capable of responding to clients’ needs for trust, speed, low cost, security, usability, and transparency.

The theme of this year’s Award is a response to arguably the most important trend currently underway in the financial inclusion sector. Financial technology can reduce the costs of





expensive, human-intensive ‘traditional’ microfinance, facilitate communication and exchange of information, improve the speed and reliability of financial services in remote areas, leverage new software, hardware and data sources and bring into the financial ecosystem particular segments – especially women, rural communities and the very poor – that brick-and-mortar microfinance models struggle to sustainably reach. To this end, a wide range of providers has emerged to provide an equally wide range of client-facing and back office services and solutions, facilitating new ways for microfinance clients to borrow, save, insure themselves and their livelihoods, and send money.

After months of work a Call for Applications was launched in mid-April. The six-week application window closed on May 30th, and 27 organisations from 22 countries applied, representing virtually all regions of the low-income world. The organisations themselves were diverse too, comprising a mix of traditional microfinance providers as well as new entrants, including 8 non-bank financial institution (NBFI) MFIs, 4 FinTech companies, 4 microfinance banks, 4 NGOs, 3 commercial banks, one cooperative, one agent network aggregator, one credit bureau and one mutual.

The 27 applications were evaluated by two successive committees of experts against a rigorous evaluation framework, which produced the three finalists from a list of 10 semi-finalists. Besides the three finalists, these were: Adopem from the Dominican Republic; First Merchant Bank of Malawi; Fundación Microfinanciera Hermandad of Honduras; Kredi Kayit Burosu of Turkey; Musoni Microfinance Ltd. of Kenya; National Microfinance Foundation of Yemen; and Prabhu Management Pvt. Ltd of Nepal.

The three finalists have implemented different and outstanding technology initiatives to respond to a variety of challenges.

- **Advans Côte d'Ivoire (Advans CI)** is a NBFI in the Ivory Coast which offers payment, saving and credit services enabled by an Advans account linked to a MTN mobile money account. Advans CI has responded to traceability and safety issues faced by cooperatives paying cocoa farmers, as well as low school enrolment due to lack of regular cashflow among farmers, by offering its digital savings and payment solution, with wallet-to-bank and bank-to-wallet transfer services, enabling producers' cooperatives to make digital payments to farmers for their crop revenue. Since 2017, Advans CI has been also providing small digital school loans, based on an algorithm



reflecting farmers' cashflows. Advans CI also successfully negotiated free MTN transfers between mobile wallets and Advans accounts for their farmer clients – the first time this had happened in Ivory Coast. The Selection Committee was impressed by Advans CI's thoughtful and holistic solution to an identifiable problem, and its negotiation on behalf of its farmer clients.

- **ESAF Small Finance Bank** is an Indian MFI that is leveraging the rapid expansion of mobile phone and smartphone penetration in India to digitise a wide range of its lending processes, in particular customer onboarding, electronic applications, customer financial training, credit appraisal, in-field verification, mandatory customer identity and address verification using eKYC, as well as opening of accounts, cashless disbursement and paperless collections of loan repayments. ESAF's field officers use Internet-connected tablets with biometric identity verification and its clients have QR-enabled Aadhaar Cards – with Government-issued 12-digit unique identify numbers based on biometric and demographic data. Their details are automatically transmitted for credit bureau verification, and clients are given ATM cards to withdraw money in convenient tranches from any ATM. ESAF was commended by the Selection Committee for its huge outreach (over 2.3 million clients benefitting from these solutions) and its twin focus on back and front end solutions.
- **KMF** is an NBF in Kazakhstan that operates in one of the most sparsely population regions of the world, beset by unstable telecommunications networks in the remote areas where almost half the population lives. To reach clients and improve efficiencies in this challenging context, KMF uses tablet software, developed in-house, that communicates remotely with its core banking system to ensure that loan officers, management, loan recovery and internal control teams can schedule loan officers' work, capture loan applications, make loan approval decisions, monitor and recover late loans, and conduct internal control visits in the field. Crucially in this context, this software can be used both on- and offline, allowing management to monitor field activities in close to real time even over long distances. KMF was noted for its development of its software in-house, and its response to the exceptional challenges of serving remote clients over such distances.



The Selection Committee was composed of a group of 18 experts, including members of the European Microfinance Platform (e-MFP) and the Inclusive Finance Network Luxembourg (InFiNe.lu). The winner will be chosen from the three finalists by a High Jury and announced on the 15th November 2018 at a ceremony hosted at the European Investment Bank in Luxembourg, during European Microfinance Week.

After the announcement of the three finalists, the Luxembourg Minister for Development Cooperation and Humanitarian Affairs, Mr. Romain Schneider said: “Technology provides immense opportunities in everyone’s lives, from rich countries to poor, from people in cities to those in remote villages. What we see from the three finalists of the European Microfinance Award this year is the enormous energy, creativity and innovation that has developed through the link between technology and financial inclusion”.

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The European Microfinance Award was launched in October 2005 by the Luxembourg Ministry of Foreign and European Affairs – Directorate for Development Cooperation and Humanitarian Affairs, to support innovative thinking in the microfinance sector. Awarded for the first time in 2006, it is jointly organised by the Luxembourg Ministry of Foreign and European Affairs, the European Microfinance Platform (e-MFP) and the Inclusive Finance Network Luxembourg (InFiNe.lu).

See www.european-microfinance-award.com/

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