

## **BOTH OPTIMISM & CAUTIONARY TALES AS EUROPEAN MICROFINANCE WEEK WRAPS UP**

- *Closing Plenary ends with “Microfinance: positioning ourselves for the next decade”*
- *Cooperative Tosepantomín of Mexico wins European Microfinance Award 2017 on Microfinance for Housing*
- *From 66 countries, over 490 practitioners, investors, academics and support providers gather at Abbaye de Neumünster in Luxembourg*
- *3 plenaries and over 30 workshop sessions on front-line topics*
- *New formats and themes introduced this year*

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[European Microfinance Week](#) (#EMW2017), organised by the European Microfinance Platform (e-MFP), concluded Friday in Luxembourg, with a provocative plenary that asked where the sector is heading in the next five to ten years.

The closing plenary followed two days of workshops and plenaries: one plenary profiling the three finalists of the European Microfinance Award 2017 on Microfinance for Housing and another that sought to critically examine one of the core orthodoxies of microfinance – that outreach to women clients necessary increases women’s empowerment. Entitled “Women clients ≠ women empowerment: beyond the numbers”, the session, moderated by Yasmin Bin-Humam of CGAP, saw speakers Bobbi Gray of Grameen Foundation, Imran Matin of Innovations for Poverty Action, Anna Zanghi of Mastercard and Bdour Al-Hyari of Microfund for Women (Jordan) argued that pursuing empowerment “requires understanding women and their needs within the environment in which they live...and considering them not as individual clients, but...as members of households”. A deeper look at the data, they argued, demands a multi-dimensional and nuanced response, that goes far beyond just how many women can receive microcredit.

Beyond the plenaries, this year’s conference involved a particularly diverse and interesting range of workshop sessions organised across six main streams: investors, donors and funders; social performance; green microfinance; rural finance; digital innovations; and the European Microfinance Award theme of Housing. Over 110 speakers took part in more than 30 workshops, including much-discussed sessions on financial education, rural youth and agriculture, social performance in FinTech, asset finance, finance for refugees, and managing political risk. For the first time, a TED-style session on digital and customer-centric solutions took place, with, instead of the usual panel of speakers, individual presentations on: “Are smartphones for farmers enough?”, “Customer empowerment for meaningful financial inclusion”, and “The power of central data management in the microfinance industry”.

Microfinance for Housing was the topic of the European Microfinance Award 2017, and Thursday evening saw the long-awaited ceremony at the European Investment Bank, presenting the three Award finalists and the winner – Cooperativa Tosepantomín of Mexico, which offers housing savings and loans combined with technical assistance to rural clients living in marginalised areas. Notable for its holistic approach to technical support, involving architecture planning, budgetary support and ongoing oversight of building processes, Tosepantomín was also recognised for its outstanding promotion of environmental responsibility through eco-friendly building techniques, recycling, renewable energy and energy efficiency.

The High Jury reported a close decision, with outstanding applications from the two other finalists, Mibanco of Peru for its three housing products, including a long-term, collateralized mortgage, an incremental home improvement loan and a water and sanitation connection product; and The First MicroFinance Bank (FMFB) Afghanistan, for its home improvement loan, provided with construction technical assistance offered through a network of partner experts.

The ceremony at the European Investment Bank (EIB) involved speeches by Dr. Werner Hoyer, President of the EIB; Mr. Romain Schneider, Luxembourg Minister for Development Cooperation and Humanitarian Affairs; and a keynote speech by Ms. Leilani Farha, the UN Special Rapporteur on the right to adequate housing. Dr. Hoyer's speech outlined the scale of the challenge in providing adequate housing and finance for the 1.6 billion people who need it. Ms. Farha bemoaned the 'financialisation' of housing, which has moved away from a core need and human right towards a safe asset class for investors, which has priced low and middle-income families out of many communities.

The High Jury, presided over by His Royal Highness the Hereditary Duke of Luxembourg, together with Her Royal Highness the Grand Duchess, joined Minister Schneider on stage for the announcement of Cooperativa Tosepantomin as this year's winner, and welcomed its Director Álvaro Aguilar Ayon on stage, who gave a gracious and humble acceptance speech, with a clarion call for further cooperation and collaboration in the industry to expand access.

Concluding the conference on Friday afternoon was a plenary session moderated by Paul DiLeo of Grassroots Capital Management, and brought together John Alex of Equitas Small Finance Bank, in India; Tim Ogden of the Financial Access Initiative; and Renée Chao-Béroff, of PAMIGA. How will the sector position itself in the next decade? Who will be the new providers? What client segment will be reached? How will technology enable outreach without compromising social mission?

Renée argued that MFIs that see themselves as a means and not an end in impact value chain will be able to innovate, while the others will 'miss the train'. John argued that reaching "massive demand" such as in India "will require specialisation and synchronisation of products". Tim was contrarian and critical: "The microfinance movement began with group of institutions that cared about customers; the current digital providers expressly don't...they care not about providing value but about *extracting* value". But the increasing involvement of commercial banks "will be an amazing thing", he said. It will mean that microfinance is really achieving its role of bringing the unbanked into the formal financial system.

At the end of the closing plenary, Laura Hemrika, confirmed during the conference as the incoming e-MFP Chairperson, paid tribute to her predecessor Anne Contreras who has stepped down after four years, and observed how Anne had overseen a remarkable evolution in the Platform's work and an annual conference which is yet more dynamic each year. Laura congratulated Cooperative Tosepantomin and announced both next year's conference dates (14-16 November 2018) and the topic of the next Award relating to advancing financial inclusion through technology, and thanked the speakers, organisers, staff and e-MFP's diverse and growing member base, the core strength of the Platform and key to its future.

END



This year's EMW conference, run by the European Microfinance Platform (e-MFP), brought together over 490 opinion-leaders, top management of banks, funds and other financial institutions, practitioners, academics, analysts, raters and industry commentators to present key innovations, challenges and the work conducted in the previous year by e-MFP's several dedicated Action Groups.

e-MFP is a multi-stakeholder organisation representing the European Microfinance community, and comprises financial institutions, government bodies, consultancies, NGOs researchers and academics. Its aim is to promote cooperation among European microfinance bodies working in developing countries. It facilitates high-level debate and research on key issues in inclusive finance, and is an invaluable opportunity for stakeholders to share Best Practice in a rapidly-evolving sector.

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