

ISSUE # 83

MONTHLY NEWSLETTER

This document contains the latest news and publications from SAMN member countries

APRIL 2021

Afghanistan

Afghanistan's Economy to Rebound in 2021 Despite Challenges — ADB

Afghanistan's economic growth is expected to recover this year and accelerate next year after a sharp decline in 2020 from the coronavirus disease (COVID-19) pandemic and continued violence and instability, said a new report by the Asian Development Bank (ADB).

In its Asian Development Outlook (ADO) 2021 released today, ADB forecasts Afghanistan's gross domestic product (GDP) growth to rebound to 3.0% in 2021, rising to 4.0% in 2022 as business activity and market sentiment normalize. GDP contracted by an estimated 5.0% in 2020 as COVID-19 containment measures exacerbated the economic impact of persistent violence and political instability. ADO is ADB's flagship annual economic publication.

"Afghanistan's economy experienced unprecedented disruption in 2020 due to COVID-19 pandemic, political instability and continued violence, which cut remittances, trade, and revenue," said ADB Country Director for Afghanistan Narendra Singru. "With a successful COVID-19 vaccine rollout and post-pandemic recovery, the country should be on track to achieve economic growth this year and in 2022 as business activity and market sentiment normalize."

Read more at: <https://www.adb.org/news/afghanistan-economy-rebound-2021-despite-challenges-ADB>

\$50 Million ADB Grant to Support COVID-19 Vaccine Rollout in Afghanistan

The Asian Development Bank (ADB) today approved a \$50 million grant to help the Government of Afghanistan procure and deploy safe, high-quality COVID-19 vaccines, and strengthen the country's capacity to implement its vaccine program.

The project will support the National Plan for COVID-19 Vaccination in Afghanistan by procuring and transporting 6 million doses of COVID-19 vaccines for priority segments of the population, as determined by the government. The project is financed by ADB's \$9 billion Asia Pacific Vaccine Access Facility launched in December 2020 to offer rapid and equitable vaccine-related support to ADB developing member countries.

"As Afghanistan continues to grapple with COVID-19, this project will help ensure that safe and high-quality vaccines are made available to the Afghan people," said ADB President Masatsugu Asakawa. "Making vaccines available to vulnerable groups and strengthening Afghanistan's immunization program will help to save lives and is a vital step toward recovery. This support is part of ADB's strong commitment to helping Afghanistan overcome the pandemic and achieve a sustainable economic recovery."

Read more at: <https://www.adb.org/news/50-million-ADB-grant-support-covid-19-vaccine-rollout-afghanistan>

Bangladesh

\$30m IFC Loan to Help Bangladesh Cos Stay Afloat Amid COVID

With the financing, Brac Bank is expected to extend loans to its SME and corporate customers, supporting businesses that are now coping with a new wave of Covid-19 in Bangladesh.

Industries hit hard due to the onslaught of the pandemic are all set to benefit from a \$30 million World Bank loan to Bangladesh's Brac Bank.

The loan from the International Finance Corporation (IFC), a member of the World Bank Group, will help both the small and medium-sized enterprises (SMEs) as well as large corporations in Bangladesh stay afloat amid the Covid-induced economic slowdown.

The investment will help to keep businesses open and preserve jobs, which is critical to sustaining the Bangladeshi economy, according to a release.

Read more at: <https://www.dhakatribune.com/business/2021/04/27/30m-ifc-loan-to-help-bangladesh-cos-stay-afloat-amid-covid>

Bangladesh Launches First Green Bond

With the World Bank celebrating the success of a solar home system installation program which has provided electricity to an estimated 20 million people, an NGO has floated a near \$12 million environmental investment which could drive further PV capacity.

Bangladesh has approved its first green bond, to finance environmentally friendly projects including renewables.

The near \$12 million instrument has been floated by NGO the SAJIDA Foundation, which is owned by the Renata Ltd pharmaceuticals and animal health business spun out of the local branch of U.S. giant Pfizer in 1993.

The SAJIDA Foundation, which received \$7.5 million from Dutch development lender FMO in December, will use the proceeds of the bond to provide micro loans to small businesses and social initiatives.

Read more at: <https://www.pv-magazine.com/2021/04/12/bangladesh-launches-first-green-bond/>

BRAC Receives \$50m Investment from Dutch Development Bank FMO

The five-year facility will be fully earmarked to the financing of the NGO's microfinance portfolio, said Tushar Bhowmik, CFO of Brac, in a press release issued by Brac on Wednesday.

The world's largest NGO Brac received \$50 million in investment from FMO, the Dutch entrepreneurial development bank, to accelerate its innovations that impact the lives of underserved and marginalized people.

The five-year facility will be fully earmarked to the financing of the NGO's microfinance portfolio, said Tushar Bhowmik, CFO of Brac, in a press release issued by Brac on Wednesday.

"We are delighted to receive this investment from FMO. It is a milestone achievement for the microfinance sector as a foreign bank is directly investing in a microfinance institution in Bangladesh for the first time," he also said

"The investment will help improve the livelihoods of people who need access to affordable financial solutions, especially in marginalized communities, in a more efficient way," Bhowmik added.

This investment is in support of FMO's inclusive strategy in Bangladesh as more than 50% of the loan portfolio of Brac is in microenterprise loan (less than 10,000 euros), according to a FMO disclosure.

Read more at: <https://www.dhakatribune.com/business/2021/04/08/brac-receives-50m-investment-from-dutch-development-bank-fmo>

India

The Reserve Bank of India (RBI) Sets Average Base Lending Rate For NBFC-MFIs at 7.81% for April-June Quarter

The Reserve Bank of India (RBI) on March 31 fixed the average base rate that NBFC-MFIs can charge their borrowers at 7.81 percent for the quarter beginning April 1, 2021.

"The Reserve Bank of India has today communicated that the applicable average base rate to be charged by Non-Banking Financial Company – Micro Finance Institutions (NBFC-MFIs) to their borrowers for the quarter beginning April 1, 2021 will be 7.81 per cent," the RBI said.

RBI, on the last working day of every quarter, advises the average of the base rates of the five largest commercial banks for the purpose of arriving at the interest rates to be charged by NBFC-MFIs to their borrowers in the ensuing quarter.

Read more at: <https://www.moneycontrol.com/news/business/rbi-sets-average-base-lending-rate-for-nbfc-mfis-at-7-81-for-april-june-quarter-6712801.html>

NBFC Sector Under Pressure as Covid-19 Cases Rise, Lockdowns Resume: Fitch

India's non-bank financial institutions (NBFC) face renewed asset quality and liquidity risks as a second wave of coronavirus infections sweeps the country and could delay recovery in the sector, said Fitch Ratings.

The agency said challenges are likely to increase if recent restrictions to contain the pandemic are expanded or prolonged, leading to greater economic and operational disruption.

Fitch revised India's economic growth forecast for the fiscal year ending March 2022 (FY22) to 12.8 per cent in March 2021, from 11 per cent in the previous forecast in December, due to the unexpectedly strong rebound in economic activity in late 2020 and early 2021.

Read more at: https://www.business-standard.com/article/companies/nbfc-sector-under-pressure-as-covid-19-cases-rise-lockdowns-resume-fitch-121040800373_1.html

Large Public Sector Banks Speed Up Digitization In The Post-Merger New Normal

Public sector banks (PSBs) have historically lagged their private peers in terms of their adoption of technology and digital systems. That might be changing as a pandemic that refuses to die is forcing every financier to take a hard look at the way they have been doing business.

For PSBs, the need to change has become even more relevant as the mergers have expanded their scale and competition from tech-oriented players has only intensified.

Read more at: <https://www.financialexpress.com/industry/banking-finance/large-public-sector-banks-speed-up-digitisation-in-the-post-merger-new-normal/2231112/>

A Bank in the Wallet? RBI has Just Taken Indian Banking to Next Stage

Is a digital wallet the new microbank? Can a non-banking financial company (NBFC) now credit the loan amount directly into a wallet, disintermediating a bank completely? Can a wallet be used to set up standing instructions for EMIs? Can cash be withdrawn from and deposited into wallets using ATMs run by non-banks? Should banks worry?

If the recent announcements by the RBI, allowing Prepaid Payment Instruments' customers with full KYC to avail limited banking solutions are any indication, the answer to all the above could soon be 'yes'.

Over the last decade, since its introduction in India, the digital wallet payment system has not only captured a significant market share but also completely revolutionized the payment system. By 2018, almost 8% of the Indian population was using digital wallets for payments.

Read more at: <https://economictimes.indiatimes.com/markets/stocks/news/a-bank-in-the-wallet-rbi-has-just-taken-indian-banking-to-next-stage/articleshow/82062459.cms>

MSME loans: NBFC Lenders Stare at Significant Dip in Lending for at Least Three Months Amid Covid 2.0

Non-banking financial company (NBFC) lenders to MSMEs are staring at a significant impact on lending for at least the coming two-three-month period as the second wave of the pandemic begins to take its toll on business operations. The impact is likely to be severe from April onwards as various Covid-related restrictions including night curfew, weekend lockdowns, weekly lockdowns, restricted timings for shops and markets to operate, etc., are likely to hit revenues for MSMEs now. "MSME lending sector will get impacted very heavily in the next two-three months as many of the companies are impacted due to lockdown. While industries are asking for operations, currently the loss of life is too high to build any conviction to run businesses unless healthcare support improves," Akshay Mehrotra, Founding Member, Fintech Association for Consumer Empowerment (FACE) told Financial Express Online.

Read more at: <https://www.financialexpress.com/industry/sme/msme-loans-nbfc-lenders-stare-at-significant-dip-in-lending-for-at-least-three-months-amid-covid-2-0/2241981/>

Nepal

Nepal's Economy to Post Modest Recovery in FY2021

Nepal's gross domestic product (GDP) is anticipated to grow by 3.1% in fiscal year (FY) 2021 from a contraction of 1.9% in FY2020, says the Asian Development Outlook (ADO) 2021, the flagship economic publication of the Asian Development Bank (ADB).

Growth is expected to recover from the low base in FY2020, as a result of the gradual lifting of nationwide lockdown since July 2020, and a pickup in domestic demand. The ongoing vaccination campaigns against the coronavirus disease (COVID-19) pandemic will help strengthen the economic impetus.

“The COVID-19 contagion that seemed to have tapered off until end-March 2021 is now spreading rapidly. If strict containment measures that have been initiated to tackle this second wave of infections are necessary for a prolonged period in the remainder of this fiscal year, then GDP growth will be lower than the forecast”, said ADB Officer-in-Charge for Nepal Sharad Bhandari.

Agriculture is expected to rise by 2.4% in FY2021 as paddy yield is likely to increase by 1.3%, owing to a good monsoon and increased acreage under production. Manufacturing and service industries gradually reopened following the end of the lockdown since July 2020. The affected industries, including micro, small, and medium-sized enterprises (MSMEs) have been receiving economic support in the form of concessional lending and refinancing of existing loans to mitigate the adverse effects of the downturn.

Read more at: <https://www.adb.org/news/nepal-economy-post-modest-recovery-fy2021>

Pakistan

BankIslami and TPL Life Come Together to Bring Comprehensive COVID Coverage for Their Customers

BankIslami, one of Pakistan's fastest growing Islamic finance institutions has partnered with TPL Life to offer a consolidated COVID-19 coverage plan for customers. The package is a complete Shariah compliant takaful plan for the entire family with up to PKR 30,000 (about \$200) initial benefits upon diagnosis and further Hospital Cash Assistance for each member under the only COVID Protection Shield available to individuals.

This plan comes at a relevant time from Pakistan's first Takaful provider and is a leading product giving coverage against COVID-19 related expenses. The cover also include provision for funeral expenses worth up to PKR 100,000 in case of an unfortunate demise. It is a result of a partnership between two of the country's foremost institutions that are offering Islamic finance and takaful solutions for the benefits of masses across the country.

Read more at: <https://dailytimes.com.pk/747539/bankislami-and-tpl-life-come-together-to-bring-comprehensive-covid-coverage-for-their-customers/>

Signing Ceremony for ADB \$300 Million Loan to Pakistan for Balakot Hydropower Project

The Asian Development Bank (ADB) and the Government of Pakistan today signed a \$300 million loan to finance the construction of a 300-megawatt hydropower plant in Balakot, Khyber Pakhtunkhwa province.

ADB Acting Country Director Cleo Kawawaki and Secretary of the Economic Affairs Division Noor Ahmed signed the loan agreement for the project, which was approved by ADB on 30 March. Minister for Economic Affairs Omar Ayub Khan, Khyber Pakhtunkhwa Chief Minister Mahmood Khan, and ADB Director General for Central and West Asia Yevgeniy Zhukov witnessed the ceremony.

"As Pakistan's largest development partner in the energy sector, ADB has been supporting Pakistan as it aims to build its renewable energy resources and cut its heavy dependence on fossil fuels," said Mr. Zhukov. "The Balakot hydropower project will play an important role in helping to advance this objective. ADB will continue to support Pakistan to diversify its energy sources, implement critical reforms, increase energy security, and grow the share of clean power in its energy mix."

Read more at: <https://www.adb.org/news/signing-ceremony-adb-300-million-loan-pakistan-balakot-hydropower-project>

MMBL Signs Four MOUs with Two Social Welfare Bodies

Mobilink Microfinance Bank Limited (MMBL) has signed four Memorandums of Understanding with key social welfare organizations across Pakistan to foster efficient donations/Zakat collections and aid in their respective disbursements.

During a recent ceremony, MMBL has partnered with Saylani Welfare International Trust, Health and Nutrition Development Society (HANDS), and Sarim Burney Welfare Trust International. The partnerships will utilize deploying branchless banking solutions for enabling these organizations in financially empowering their beneficiaries through faster disbursements via their digital JazzCash wallets.

In line with its commitment towards promoting financial inclusion for all, MMBL, the largest digital bank of Pakistan, is employing innovative digital practices to provide convenient solutions for faster transactions. Speaking at the ceremony, Ghazanfar Azzam-CEO, MMBL said: “We are humbled to be chosen to partner with all these welfare organizations, aimed at benefiting the ones in need.

Read more at: <https://www.brecorder.com/news/40094721/covid-claims-57-lives-infects-3060-more-across-country>

Sri Lanka

World Bank Reassures Support for Sri Lanka to Build Back Better from COVID-19

The World Bank's Country Director for Maldives, Nepal and Sri Lanka, Faris Hadad-Zervos, concluded a successful visit to Sri Lanka today where he reiterated the World Bank's commitment to support Sri Lanka's efforts towards recovery and to build back better from the COVID-19 shock.

Based in Kathmandu, Nepal, this latest mission followed the Country Director's introductory visit to Sri Lanka last November after assuming his new role in July 2020. Hadad-Zervos was joined by Chiyo Kanda, the Country Manager for Maldives and Sri Lanka, based in Colombo.

"Sri Lanka's economy is on the road to recovery after the worst downturn on record last year. The World Bank stands ready to support the Sri Lankan Government as it strives to protect its people from the pandemic, while addressing the vulnerabilities in the macro-fiscal environment," said Faris. H. Hadad-Zervos, the World Bank Country Director for Maldives, Nepal and Sri Lanka.

Read more at: <https://www.worldbank.org/en/news/press-release/2021/04/25/world-bank-reassures-support-for-srilanka?fbclid=IwAR1c3zoSgG39ADnaO3sdMZA0uonWomFGbWU8vOrCSw0SECMjxQ3YoODSNY4>

Microfinance Sector Undergoes Reforms Despite Present Cash Crunch

Sri Lanka's microfinance sector is to undergo reforms with the government's new strategy of uplifting the living standard of the low-income households who have already been trapped in a vicious debt cycle. The Finance Ministry is now in the process of devising new plans of overhauling the microfinance institutions market with the introduction of public and private sector-driven, subsidized credit and welfare-oriented credit provided by co-operatives and community-based organizations and licensed financial institutions.

The new reforms plan and package of proposals with special focus on poor rural women will be presented to the Parliamentary Select Committee on Gender Equality within a month, a senior of the State Ministry of Microfinance told the Business Times.

Read more at: <http://www.sundaytimes.lk/210418/business-times/micro-finance-sector-undergoes-reforms-despite-present-cash-crunch-440119.html>

A Grim New Year For Debt-Trapped Rural Women in Sri Lanka

M. Champa Irangani is in no mood to celebrate 'Avurudu', or New Year, the biggest annual festival that Sri Lanka's majority Sinhalese community observes mid-April, while Tamils celebrate the Tamil New Year around the same time.

"The New Year will dawn only the day our debts are cancelled. Until then we cannot celebrate. Surely not, when so many women have died by suicide under the pressure of microfinance loans," she says, seated with dozens of affected women who have been observing a 'satyagraha' off the main road in Hingurakgoda town, in Sri Lanka's Polonnaruwa district, for a month now.

They want their microfinance debt abolished, and an alternative source of credit that will free them from poverty, rather than worsen it. Their experience, shared by tens of thousands who have taken microfinance loans in Sri Lanka, not only counters popular claims in South Asia of microcredit alleviating poverty and empowering women, but also highlights the devastating consequences of the individualised, high-interest microfinance loans, entangling women in a pile of debt.

Ms. Irangani feels especially let down since there has been no relief in over a year after President Gotabaya Rajapaksa, whom she voted for, came to power pledging — among other things — to abolish their loans.

Read more at: <https://www.thehindu.com/news/international/a-grim-new-year-for-debt-trapped-working-class-women-in-sri-lanka/article34305311.ece>

Updates from Members

BANGLADESH

CDF: World Bank Helps Bangladesh Create Better Jobs And Ensure Resilient Recovery from the COVID-19 Pandemic

The World Bank and the government of Bangladesh today signed a \$250 million financing to help Bangladesh create more and better jobs; recover faster from the COVID 19 pandemic; and build resilience to future crises.

The Third Programmatic Jobs Development Policy—the last in a series of three credits—focuses on key reforms to create quality and inclusive jobs, while supporting the government’s response to the COVID-19 crisis. It supports policies to modernize the trade and investment regime; improve social protection for workers; and help youth, women, and vulnerable people access quality jobs.

“The COVID-19 pandemic has had a disproportionate impact on the poor and vulnerable population,” said Mercy Tembon, World Bank Country Director for Bangladesh and Bhutan. “This financing supports government policies to protect those most affected by the pandemic and create more and better jobs as Bangladesh continues its journey towards its vision of becoming an upper-middle income country.”

The pace of job creation has slowed in recent years, and the COVID-19 pandemic has exacerbated the situation. Losses in jobs and income put livelihoods of several million at risk in both rural and urban areas. Women and youth have been particularly hard hit.

The Jobs Development Policy Credit series has helped the government protect 5 million jobs, and enabled firms to continue paying their workers’ wages. It also supported the migrant workers who have had to return to Bangladesh due to the pandemic. The program will also support informal micro-entrepreneurs in recovering by extending micro-finance facilities.

“The government has taken fast and proactive measures to protect the poor and vulnerable population and to mitigate the adverse impact of the COVID-19 pandemic on formal and informal businesses,” said Fatima Yasmin, Secretary, Economic Relations Division, Government of Bangladesh. “This program has had helped protect the jobs and income of millions of poor and vulnerable people while laying the groundwork for building resiliency to future shocks.”

To Access Full Article: <https://www.worldbank.org/en/news/press-release/2021/04/22/world-bank-helps-bangladesh-create-better-jobs-and-ensure-resilient-recovery-from-the-covid-19-pandemic>

INDIA

MFIN: News

- **Second Covid-19 wave: Curbs beyond a month to hurt biz, says MFIN**

Read Full Story: https://www.business-standard.com/article/finance/second-covid-19-wave-curbs-beyond-a-month-to-hurt-biz-says-mfin-121041400016_1.html

- **MFIs better prepared to deal with disruptions due to rising COVID-19 cases: MFIN CEO Alok Misra**

Read Full Story: <https://www.financialexpress.com/industry/banking-finance/mfis-better-prepared-to-deal-with-disruptions-due-to-rising-covid-19-cases-mfin-ceo-alok-misra/2234666/>

- **ET Now – ‘The Market’ with Ayesha Faridi and Aabha Bakaya**

To Access the Video: <https://www.youtube.com/watch?app=desktop&v=8Pdi5MnZcQQ&t=186s>

- **CNBC TV18– ‘Midcap-Radar with Prashant Nair & Sonal Bhutra**

To Access the Video: <https://www.youtube.com/watch?app=desktop&v=q1Br77L7TEs&t=5s>

MFIN: Microfinance Sector Development

- **Information Sharing Platform:** The beta testing phase of “Impetus Platform” for the small and medium MFIs is progressing suitably with the five partner MFIs. A hyperlink was created on MFIN website for testing phase. The updated list of lenders/investors was shared with Mindstone for them to initiate onboarding on Impetus platform.

MFIN: Microfinance Sector Advocacy:

- A letter along with a technical note on impact of Base Rate, highlighting the irrelevance of Base Rate in pricing of MFI loan was sent to the Governor, Reserve Bank of India with a copy to Deputy Governor and Chief General Manager based on March data received from members. The letter and note were shared in response to further reduction in the average base rate of five largest banks on 31st March 2021.
- A Letter was sent to Dr Madhesh Kumar Mishra- Joint Secretary, Department of Financial Services for Inclusion of NBFC-MFIs staff for priority vaccination.
- **Maharashtra, Rajasthan, Jharkhand, Odisha, and Karnataka:** MFIN engaged with the offices of respective Chief Minister(s), Chief Secretaries, PS Home, PS/Secretary (Finance), Secretary SDMA etc. to ensure that RBI regulated NBFC-MFIs and NBFCs are included under the ‘exempt category’ during lockdown. The states were issued with favorable orders

MFIN: Communication Collaterals:

- A motivational video with a message to the employees of microfinance institution featuring Dr. Alok Misra – CEO & Director, MFIN CEO’s message to MFI staff was released.

The film can be accessed through: <https://youtu.be/mOJnSn8T8BA>

MFIN: Industry Standards:

- An Advisory was added to [Compendium of MFIN Advisories and Directives](#). The Advisory is in the context of surge in Covid cases to ensure micro-credit operations remain completely aligned to industry standards with respect to customer engagement, employee engagement and risk/internal controls.

Nepal

CMF: Training to MFIs:

Centre for Microfinance Nepal held a training on “**Managerial Skills for Managers**” where 16 senior staff members of Microfinance Institutions and two wholesale loan providers were present. The training was held during 31 March - 03 April 2021 at Kathmandu.

The main purpose of training was to update and upgrade basic competencies of managers of MFIs for managing organizational process, people, and performance while enhancing their commitment to providing better services.



CMF: Safe Shelter Training Package

The Centre for Microfinance (CMF) has designed and developed a “**Financial Literacy and Safe Shelter Training Package**” for Habitat for Humanity International. The purpose of this package is to educate the low-income women and men on accessing loans from microfinance institutions and enabling them to make plans for home improvements. The package included participant textbook, training manual and IEC materials (poster and pictures) which was developed based on the need assessments of the target group.

In-Focus

How Fintech Can Help Break The Health Poverty Trap

There has never been a better argument for Universal Health Coverage (UHC) than the devastating global impact of the Covid-19 pandemic. As widespread infectious disease outbreaks are increasing in frequency and the number of people with chronic conditions continues to rise, we must find new ways to ensure that everyone is able to access and pay for the health services they need. As Covid-19 has demonstrated, no one is safe from health threats until the entire population is protected.

WHO estimates that more than 100 million people around the world are pushed into poverty every year because of healthcare costs. In most countries, the process of paying for health coverage is not just costly, but complicated, stressful, and time consuming. If exorbitant prescription drug prices and out of pocket expenses were not already enough, healthcare consumers must also navigate payment systems known for their obscurity and susceptibility to error. We only need to look at the recent example of Americans who are being incorrectly billed by their insurers for Covid-19 vaccines that are meant to be free. An error that could have grave consequences if it deters someone from seeking out a vaccine. These systems not only overwhelm current users, but also discourages new users from finding the coverage that is right for them.

Fintech brings new and improved digital financial service models into the healthcare space. Fintech companies are leveraging powerful innovations such as blockchain, artificial intelligence, and machine learning to eliminate the inefficiencies and knowledge gaps that exist in our current systems. This is the topic of a new whitepaper, “Breaking the health-poverty trap: How fintech can improve access to healthcare in Asia” co-authored by ACCESS Health International initiative Fintech for Health and the MetLife Foundation.

Read Full Story: <https://www.forbes.com/sites/williamhaseltine/2021/04/29/how-fintech-can-help-break-the-health-poverty-trap/?sh=7897b82e4e77>

Unlocking Financing for Investment into Education

Despite a recent rise in public spending and development aid towards education, few low- and middle-income countries are on track to meet the basic requirements for quality education under Sustainable Development Goal (SDG): 4. The COVID-19 pandemic has steadily broken the momentum of many developing countries in improving access to quality and affordable education, and the ongoing capital flight from developing countries across Sub-Saharan Africa, South and Southeast Asia and Latin America is contributing to this threat.

The precarious economic outlook for emerging markets is also building hesitation within new investors to financing education opportunities targeting underserved communities. Alternative financing approaches like blended finance are offering a pathway to attract investors and engage private capital on market terms. Some of this activity was recently highlighted in Convergence’s virtual training on health and education, which explored the role of blended finance in mobilizing capital to education interventions. The training drew on perspectives from leading stakeholders in the field, including USAID Catalyze, Palladium and BlueOrchard Finance.

Here are some key reflections based on historical and current market activity:

1. There is increasing momentum in blended finance for education.
2. Proven instruments to increase education finance exist, so there are models to replicate.
3. There is an understanding of the types of solutions blended finance can support.
4. Blended finance can help pave the road ahead for education finance.

Read Full Story: <https://www.convergence.finance/news-and-events/news/2j6ZqZWOFCdDRLy12bfOQm/view>

Investing in ‘Deep Dives’ to Measure Development Impact

There is a lot of faith in the private sector’s capacity and willingness to generate positive development impact in low- and middle-income countries. A new class of investors pursues such impact intentionally — alongside financial returns — while most development finance institutions explicitly use aid resources to nudge private investors toward producing public goods and generating societal impact.

Does such reinvented capitalism hold the promise of delivering development, the Sustainable Development Goals, and effective action to address climate change, loss of biodiversity, and more generally, global public good challenges?

Measuring development impact: An imperative.

Measuring the actual development impact of private sector investments and activities is key to the answer. This seems to be well understood by all stakeholders, including private investors. Impact measurement has received increasing attention from private investors, notably focusing on the nature of reporting, the choice of indicators, and the need to harmonize measurement practices and approaches. Impact intention and impact measurement have also become part of an integrated impact management approach.

However, this still chaotic effervescence falls short of what is needed to identify impact, understand impact generation, and make impact investors more accountable for it.

The challenge is serious and multifarious. Many impact assessments mainly focus on inputs used in a given activity and outputs that it produces. However, outputs misrepresent the actual impact on society. Furthermore, understanding impact generation also implies assessing causality, i.e., whether or not the activity under study can be considered as a cause of the observed impact. Proving causality is a tough challenge because so many other potential effects need to be ruled out and the “counterfactual” — what would have happened without the activity — needs to be discussed.

Read Full Story: <https://www.devex.com/news/sponsored/opinion-investing-in-deep-dives-to-measure-development-impact-99615>

UN Seeks Investors for Projects to Meet 2030 Sustainable Goals

Some of the world’s largest financial institutions are teaming up with the United Nations to connect investors with projects that help achieve the body’s sustainable development goals by 2030.

The Global Investors for Sustainable Development Alliance -- whose members include Bank of America Corp., Citigroup Inc. and Japan's Government Pension Investment Fund -- has created an investor platform with the United Nations Development Programme. The online tool aims to spur private sector investments in projects by giving country level market intelligence, including on-the-ground insights into the local investment landscape and connections with relevant partners.

"Increasing transparency and matching of demand and supply is key for the success of SDG-oriented investments," said Allianz SE chief executive officer Oliver Baete and JSE Ltd. CEO Leila Fourie, who co-chair the UN-backed alliance, in a joint statement. The platform will be a resource "for all like-minded investors, development finance institutions and governments."

The UN's 17 sustainable development goals -- from ending poverty and hunger to reducing inequality and protecting marine life -- are already used as a guide for decision-making by many impact investors. While climate action has so far captured market attention with a surge in renewable energy stocks and green bond issuance, more focus is being put on the UN's social goals as the clock ticks toward 2030.

Developing countries are facing a shortfall of \$4.2 trillion in the financing they would need this year to keep them on track for the 2030 goals, according to data from the Organisation for Economic Co-operation and Development. Reallocating just 1.1% of the total assets held by banks, institutional investors, or asset managers would be sufficient to fill the gap, the UN said.

Read Full Story: <https://www.bloomberg.com/news/articles/2021-04-14/un-seeks-investors-for-projects-to-meet-2030-sustainable-goals>

About SAMN

The South Asian Micro-Entrepreneurs Network (SAMN) is a regional microfinance industry association working to enhance financial inclusion among low-income population in South Asia. SAMN achieves this by improving knowledge, business environment and capital flows for the microfinance industry. SAMN, through its members, who national networks from the countries of the region, is the representative and collective voice of the industry reaching more than 50 million low-income customers in the region.

SAMN was established in late 2008 with a vision to improve quality and scale of financial services among low-income population in the countries of South Asia. The early foundation of SAMN was laid by ACTED, a French INGO along with a number of regional and global microfinance stakeholders.

Today, SAMN membership consists of the leading national networks in six countries of the region representing over thousand microfinance providers and other industry players. The current SAMN members, each represented by Executive Head on the Board of Directors, are:

- **In Afghanistan:** Afghanistan Microfinance Association (AMA)
- **In Bangladesh:** Credit and Development Forum (CDF)
- **In India:** Microfinance Institutions Network (MFIN)
- **In Nepal:** Centre for Microfinance (CMF)
- **In Pakistan:** Pakistan Microfinance Network (PMN)
- **In Sri Lanka:** Lanka Microfinance Practitioner's Association (LMFPA)

