

## European Microfinance Week 2018 Opens with Focus on Potential – and Threats – of FinTech Revolution (#emw2018)

- *Over 450 practitioners, investors, academics and support providers from more than 100 organisations gather at Abbaye de Neumünster in Luxembourg*
- *Day of Action Group meetings, plus two conference days with three plenary sessions and over 25 sessions*
- *Three plenaries on: Financial Inclusion through Technology; Where next for Microfinance: A View from the Founders; and an Oxford-style debate on the future relevance of Tier 2 & 3 MFIs.*

Luxembourg, Thursday, 15<sup>th</sup> November 2018

For Immediate Release

The [European Microfinance Week](#) (#emw2018) conference was formally opened today in Luxembourg, hosted by the European Microfinance Platform (e-MFP). A member-driven conference supported by the Luxembourg government, EMW continues to grow as one of the most important annual events in the financial inclusion sector, bringing together all branches of the industry, including e-MFP's own members, to discuss trends, innovations, challenges and opportunities in inclusive finance in developing countries.

Reflecting the broader trends in this sector, the Platform's focus has expanded beyond microfinance into various aspects of financial inclusion, from FinTech to behavioural economics, and from branchless banking to agri-finance. This focus, made possible by the work and expertise of the Platform's over 130 members, fosters innovative action and research to advance sustainable and responsible microfinance around the world.

As always, this year's European Microfinance Week started with yesterday's day of Action Groups, which are supported by the e-MFP Secretariat as they conduct year-round research on particular themes, including Green Inclusive & Climate Smart Finance, Human Capacity Development, Rural Outreach & Innovation and Digital Innovations for Financial Empowerment and Responsible Equity Exits.

Each conference day is headlined by plenary sessions that bring together all members, delegates and speakers. This morning's opening plenary presented the finalists of the European Microfinance Award – this year on *Financial Inclusion*

*through Technology* and which aims to highlight how financial services providers (FSPs) can use technology innovations to expand outreach, broaden product offerings, improve the client experience, and increase operating efficiency. The plenary opened with a keynote speech from Graham Wright, founder and Group Managing Director of MicroSave. Graham gave a fascinating and provocative keynote, listing the enormous opportunities that digital financial services offer to traditional financial service providers over new entrant FinTechs, including increased revenue and decrease costs; the immense value of relationship banking; the chance to provide a personalised customer experience that mimics the attitudes and mental models of customers, therefore reducing churn; and the chance to deliver with renewed purpose – recognising that financial services are a means not an end, and MFIs must link financial services to the real world economy.

But Graham cautioned attendees of the three existential threats faced by microfinance providers: outdated and inflexible microfinance models; emerging digital credit models that offer immediacy and convenience but risk a contagion of blacklisting clients; and the emerging ‘digital divide’ caused by a demise of MFIs unable to adapt, allowing FinTechs to serve (peri-) urban high value customers while leaving MFIs with low-value, rural areas, preventing cross-subsidisation by MFIs, and keeping low-income groups excluded from the latest technology innovations.

After the keynote, there was an intriguing panel discussion moderated by Triple Jump’s Gera Voorrips, and with representatives of the three Award finalists: Albert Sié Dah from Advans Cote d’Ivoire, Paul Thomas Kadambelil from ESAF Small Finance Bank in India and Karlygash Raikhanov, from KMF in Kazakhstan, along with Lisa Chassin from PHB Development, who together broadly agreed with Graham’s warnings to ‘digitise or die’, and the need to take an approach that responds to the institution’s specific context, and the needs of its clients. The winner of the Award with its €100,000 prize will be announced in tonight’s ceremony which takes place at the European Investment Bank.

Friday includes two more plenaries: in the morning, *Where next for microfinance: A view from The Founders*, moderated by Bernd Balkenhol from the University of Geneva and including two ‘Founders’ – Essa Ben Hamida from Enda Tamweel in Tunisia and Carmen Velasco from Promujer in Bolivia – and Hans Dieter Seibel, co-founder of e-MFP and Professor Emeritus from the University of Cologne. The closing plenary will be a first-ever Oxford-style debate, addressing the motion *"This House believes there's no room left for the little guy: A debate on Tier 2 & 3 MFIs"*, with Maria Teresa Zappia from Blue Orchard, Alex Silva from Omtrix, Kaspar Wansleben from LMDF and consultant Maude Massu.

The three plenary sessions are, as always, complemented by a diverse range of workshop sessions – more than 25, featuring over 100 organisations – covering pioneering topics such as: making insurance markets work for the poor,

crowdfunding, advancing access to financial services for refugees, financing clean energy, meeting the financial needs of smallholder farmers, financial education, youth finance, microfinance and the SDGs, social performance management, financial inclusion through technology, regulation in the Fintech/DFS space, client protection & Fintech/DFS and overindebtedness in Cambodia. Many of these topics and trends are discussed in the inaugural e-MFP survey of financial inclusion trends, the just-published *Financial Inclusion Compass*, which will be an annual presentation of e-MFP members and other stakeholders' perspectives on the dominant trends in financial inclusion in the short, medium and longer terms.

END

The European Microfinance Platform (e-MFP) is the leading network of organisations and individuals active in the financial inclusion sector in developing countries. It numbers over 130 members from all geographic regions and specialisations of the microfinance community, including consultants & support service providers, investors, FSPs, multilateral & national development agencies, NGOs and researchers. Up to two billion people remain financially excluded. To address this, the Platform seeks to promote co-operation, dialogue and innovation among these diverse stakeholders working in developing countries. e-MFP fosters activities which increase global access to affordable, quality sustainable and inclusive financial services for the un(der)banked by driving knowledge-sharing, partnership development and innovation.

For more information, contact: Niamh Watters, [nwatters@e-mfp.eu](mailto:nwatters@e-mfp.eu); [www.e-mfp.eu](http://www.e-mfp.eu)