



EUROPEAN
MICROFINANCE WEEK 2015

FINANCIAL INCLUSION FOR SUSTAINABLE DEVELOPMENT

Where do we go from here: The future of microfinance

Marc Labie, UMons
Blaine Stephens, MIX

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2015 vision, circa 2012

Western Union
1 review

94 bd de Magenta
75010 Paris
France
Canal St Martin/Gare de l'Est, Strasbourg-St Denis/Bonne Nouvelle, 10ème
Gare de l'Est and 2 more stations
+33 8 25 82 58 42 FREE

Today 8:30 am - 8:00 pm Open now

Work here? Claim this business

Hours

Mon	8:30 am - 8:00 pm Open now
Tue	8:30 am - 8:00 pm
Wed	8:30 am - 8:00 pm
Thu	8:30 am - 8:00 pm
Fri	8:30 am - 8:00 pm
Sat	8:30 am - 8:00 pm
Sun	Closed

With so few reviews, your opinion of **Western Union** could be huge. Start your review today.

2015 vision, circa 1989



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Enablers of that vision

The screenshot shows a mobile view of a Yelp business page for Western Union. The top navigation bar includes the Yelp logo, search fields, and user options like 'Sign Up' and 'Log In'. The business name 'Western Union' is prominently displayed with a 'Write a Review' button and options to 'Add Photo', 'Share', and 'Bookmark'. Below the name, there's a map showing the location at 94 bd de Magenta, 75010 Paris, France. The page also features a 'Recommended Reviews' section with a search bar and a 'Hours' section listing operating times from 8:30 am to 8:00 pm, except on Sundays when it is closed.

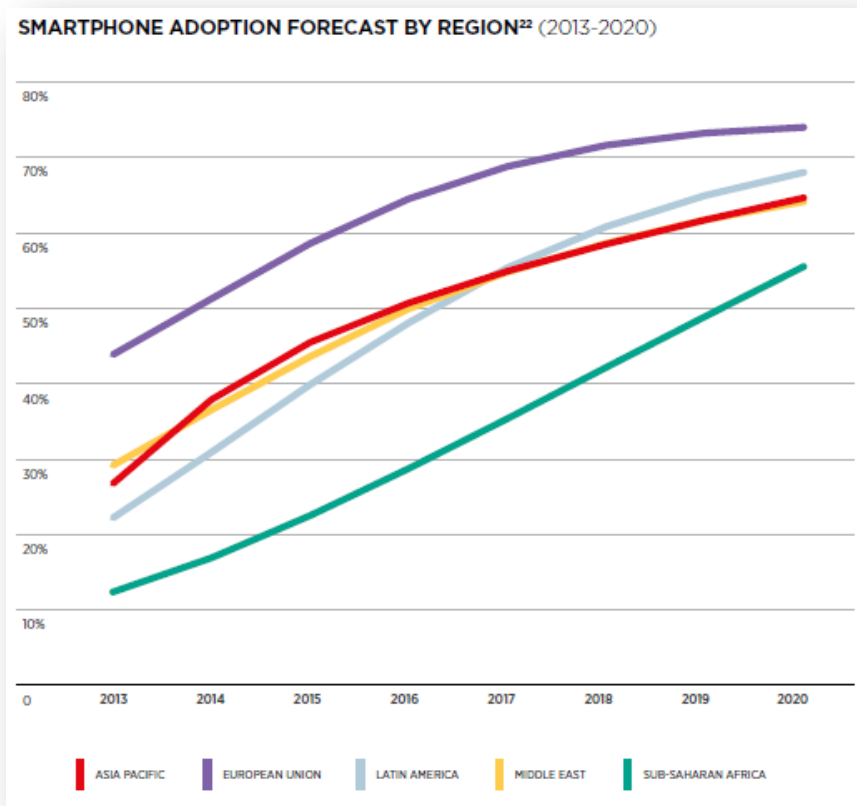
- Smartphone use
- Geospatial provider information
- Client feedback
- Mobile financial services



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Smartphone use ★



- 60-80% penetration by 2020
- Smartphones 50% of 1Q15 sales in Africa
- ... Prices (phones, data) falling but still out of reach for many in target segment

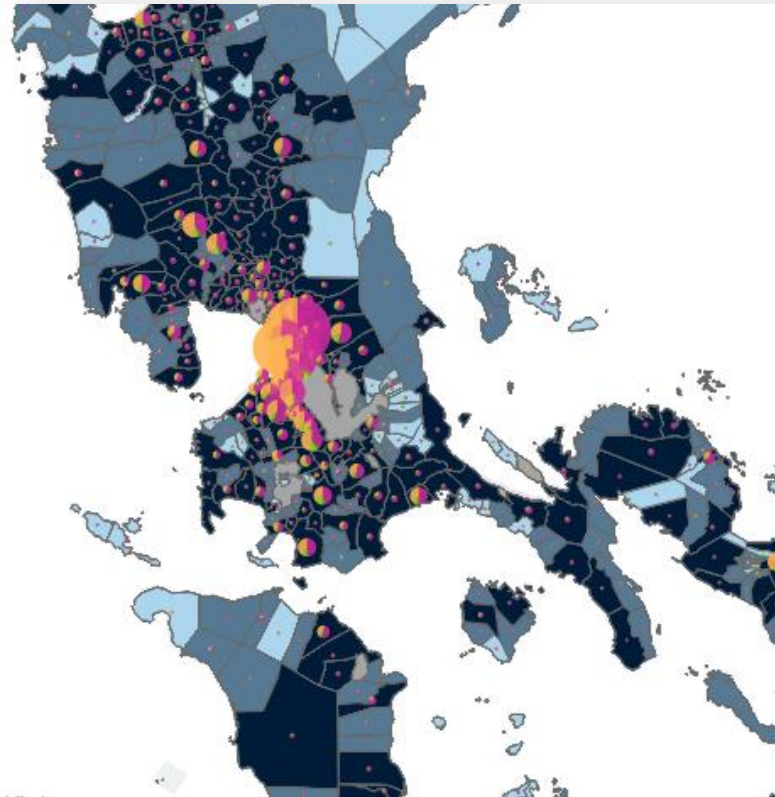
Sources: GSMA Global Mobile Economy Report, 2015; IDC Mobile Phone Tracker, McKinsey.



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Geospatial provider information



Source: MIX www.finclusionlab.org

- Clear government, provider, client use cases exist
- 42+ governments (AFI) developing geospatial maps
- Platforms like FINclusion Lab created
- ... Data standards and open access remain variable

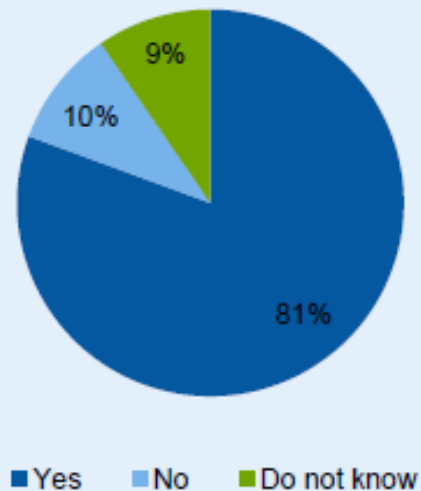


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Client feedback ★

Graph 14. Clients aware of loan interest rates and provided repayment schedule before accepting loan



- Grievance mechanisms increasingly common
- Experiments in direct client feedback (Voice of the Client)
- ... Barriers to feedback to overcome, and information dispersed

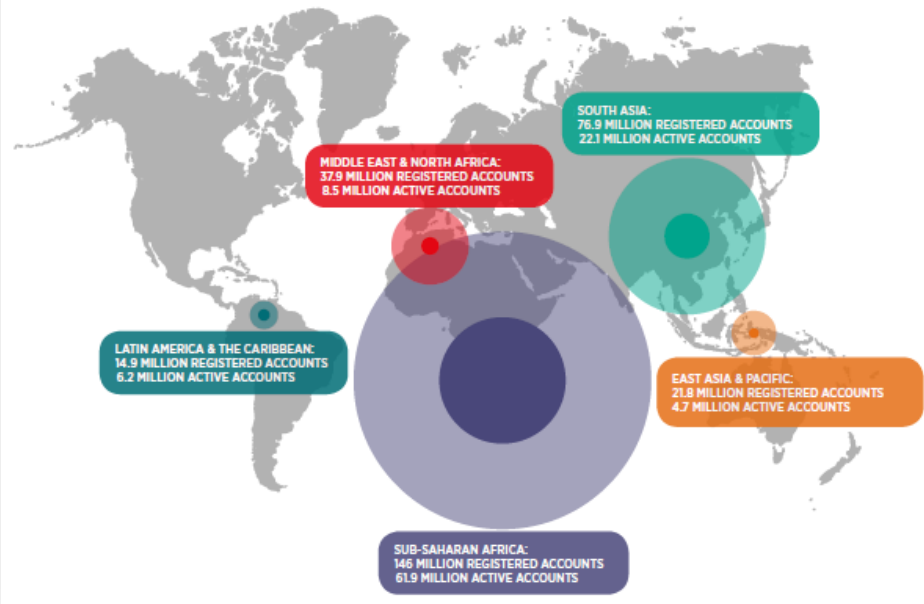
Source: MIX www.mixmarket.org (Voice of the Client, 2015, MIX and Hivos)

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Mobile enabled services ★

NUMBERS OF REGISTERED AND ACTIVE CUSTOMER ACCOUNTS²⁸ BY REGION
(DECEMBER 2014)²⁹



- Doubling in mobile wallets since 2012
- ... Growth in financial services on mobile, but largely airtime transactions
- ... Outside certain markets, usage lags

Sources: GSMA MMU 2015, Intermedia FII 2015.

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Perfect vision or tunnel vision?

The screenshot shows a Yelp business profile for Western Union in Paris. The header includes the Yelp logo, search bar, and navigation links. The business name 'Western Union' is prominently displayed with a 'Write a Review' button and options to 'Add Photo', 'Share', and 'Bookmark'. Below the name, there's a map showing the location at 94 bd de Magenta, 75010 Paris, France. The address is repeated, along with contact information: 'Gare de l'Est and 2 more stations', '+33 8 25 82 58 42 FREE', and 'westernunion.com/home'. A 'Recommended Reviews' section is visible at the bottom, with a search bar and a note: 'With so few reviews, your opinion of Western Union could be huge. Start your review today.' The 'Hours' section shows the business is open from 8:30 am to 8:00 pm on Monday through Friday, and closed on Saturday and Sunday.

- Smartphone use ★
- Geospatial provider information ★★
- Client feedback ★
- Mobile financial services ★

... but can we do better for 2018?



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Where do we go from here: taking the pulse with participants

- Voice your opinion via the online poll
 - URL: <https://www.etches.com/esurvey/emwq>[x]
 - Conference app
- Questions for you to consider at the ecosystem, institution, and client level
- Discussion on responses



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1. What market infrastructure development underway today will have the greatest impact on financial inclusion in the coming years? <https://www.etches.com/esurvey/emwq1>
- a) Nigeria e-ID cards with embedded MasterCard payment technology.
 - b) Cote d'Ivoire launch of multi-operator mobile registration and payment of school fees.
 - c) India push for electronic social benefits transfers to Aadhaar (unique ID) linked accounts.



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2. What is your opinion in terms of the potential crises that the microfinance sector could face in the future?

<https://www.etches.com/esurvey/emwq2>

- a) The ones that have happened over the last ten years have generated enough knowledge for limiting the risk that others happen
- b) The industry has not learned enough from previous crises and similar situation could happen again
- c) The crises that the sector has already experienced are very diverse; they do not help predict future crises



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3. Which of these statements will hold the most insight on funding of institutions in the sector in the coming years?

<https://www.etches.com/esurvey/emwq3>

- a) Donor and development-oriented funding will continue the move away from 'microfinance' and towards SME finance, ag finance and basic account access.
- b) Social investor capital will increasingly focus on institutions that demonstrate responsible finance practices and client impact.
- c) Global social Investors will tend to move away from microfinance, leading microfinance institutions to finance themselves on local markets (deposits, local debt, etc.).



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4. What is most likely to be the impact of the 'digitization of financial services' on the businesses of MFIs and other providers serving to the unbanked? <https://www.etches.com/esurvey/emwq4>

- a) Institutions will realize rapid efficiency gains in their 'high touch' service models, allowing some to lower service cost to clients.
- b) Institutions will focus on scaling, feature-simple, mass market products.
- c) Institutions will use technology to generate innovative products, resulting in a more diversified offer of services.
- d) Existing Institutions will partner with fintech / mobile network operators ... or close shop.



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5. What will be most problematic for clients in microfinance in the coming years?

<https://www.etches.com/esurvey/emwq5>

- a) Inadequacy of products
- b) Overall over-indebtedness
- c) A overall trend of financial institutions to favor consumer credit over other types of loans



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6. What tools will prove most effective in increasing access to financial services by underserved segments (e.g. youth, elderly, women)? <https://www.etches.com/esurvey/emwq6>

- a) Funding (e.g. targeted at developing products for segments, addressing financial capabilities)
- b) Product design
- c) Policy setting (e.g. targets, regulations)

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See you in 2018!

The screenshot shows the Yelp profile for Ujjivan, a microfinance institution. The page includes a search bar with the text "Find tacos, cheap dinner, Max's", a location filter for "Saharsa, Bihar", and navigation links like "Home", "About Me", "Write a Review", "Find Friends", "Messages", "Talk", "Events", "Sign Up", and "Log In".

The main content area features the business name "Ujjivan" with a 1-star rating and a "1 review" count. Below this is a map showing the location of Ujjivan in Saharsa, Bihar, with a red location pin. To the right of the map is a table of loan products:

Group Loan Amount	Loan Product Type	Tenure
Between 6,000 - 15,000	Group Loan (RGL)	1 year
	Education Loan	1 year
	Top Up Loan	1 year
Between 16,000 - 30,000	Group Loan (RGL)	1 year
	Education Loan	1 year
	Top Up Loan	1 year
Between 31,000 - 50,000	Group Loan (RGL)	1 year
	Education Loan	1 year
	Top Up Loan	1 year

Below the table are two images: one showing a Ujjivan bus with the slogan "Build a Better Life" and another showing a woman operating a sewing machine. To the right of the images is a "Write a Review" button and an "Apply for loan" button.

The bottom section of the page includes "Live Maps" with a link to "Itinéraire Instantanément Télécharger l'application! www.mapsgalaxy.com", "MyTransitGuide" with a link to "Tous les Plans, Itinéraires, Tarifs Et Horaires Disponibles Ici! mytransitguide.com/fr/Taxi", and "Recommended Reviews" with a search bar and a "Search reviews" button. The "Hours" section lists the business hours: Mon 8:30 am - 8:00 pm (Open now), Tue 8:30 am - 8:00 pm, Wed 8:30 am - 8:00 pm, Thu 8:30 am - 8:00 pm, Fri 8:30 am - 8:00 pm, Sat 8:30 am - 8:00 pm, and Sun Closed.