



EUROPEAN DIALOGUE

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6th EUROPEAN MICROFINANCE AWARD

Microfinance in Post-Disaster,
Post-Conflict Areas and Fragile States

Resilience and Responsibility

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EUROPEAN
MICROFINANCE
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InFiNe.lu aims to develop knowledge and expertise by stimulating exchange and collaboration amongst its members and capitalises on Luxembourg's leading position in the financial and development sectors.



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The inclusive finance sector has been actively supported by Luxembourg's Directorate for Development Cooperation and Humanitarian Affairs of the Ministry of Foreign and European Affairs over the last 20 years. The Ministry works closely with civil society stakeholders and networks specialised in microfinance to fund conceptual innovation, research and the development of new tools as well as political action in national and international fora, by focussing particularly on integrating the most vulnerable into the financial inclusion sector. Long term commitment and strategic support have led to Luxembourg being globally recognised as a centre for financial inclusion.



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FOREWORD



Since its birth in the early 1970s, the modern microfinance sector has torn down many long-held assumptions – Landless, jobless, disposed women can't be expected to repay their loans. The poor are too poor to save. Banking to the poor is charity. – Each of these notions has been repeatedly proven wrong by trailblazing institutions.

The 2015 European Microfinance Award on Microfinance in Post-Disaster, Post-Conflict Areas & Fragile States highlights yet another assumption being torn down. It's common knowledge that banking requires stability and predictability – After a major natural disaster, banks will struggle to collect on existing loans, let alone disburse new ones. When faced with persistent terrorist attacks or even an active civil war, banks must close branches, not open new ones.

Like the trailblazers before them, many applicants for the Award – 47 in all – have proven these assumptions false. In Haiti, following the most destructive earthquake of the century, MFIs not only survived, but proved crucial conduits for channelling remittances from relatives abroad, often the first source of cash their clients received. After Typhoon

Haiyan – the largest storm on record – ploughed through the Philippines, MFIs took on the role of temporary disaster relief agencies, supplying water and basic goods, and also insurance pay-outs, access to savings, and emergency loans. And when caught in the field of fire – from Syria to Yemen to Palestine and elsewhere – MFIs stayed and continued to serve their clients. Even when the danger was threatening and unseen, in the form of a raging Ebola epidemic, one MFI (the Award winner) kept its doors open, serving clients with nothing more than rubber gloves and infrared thermometers to protect itself.

We are proud to honour the innovation, grit, and sheer bravery of institutions that remained committed to serve their clients, even in the face of hardship and danger. In times like these, reliable finance can be a key foundation for household resilience, and as they have before, microfinance institutions show that the impossible is possible. Unfortunately, natural disasters and conflicts aren't going away. We hope that the experience of these MFIs will prove both inspiring and instructive for those who find themselves under similar circumstances.

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INTRODUCTION

For many in the world, these feel like dark days. The past half-century has seen a reduction in extreme poverty and a massive increase in the global middle class, but on a shorter timescale, the last twenty years have been less hopeful in important respects. The demise of Communism was supposed to herald the End of History, and the triumph of liberal democracies co-existing in relative peace and prosperity. Instead, we find ourselves in a young century with the spread of the cancer of terrorism, civil and ethnic conflict, a growing number of fragile states, uneven development progress, massive displacement of people across borders and the threat of climate change – which cruelly affects the vulnerable and the poorest the most.

Conflict, threat and vulnerability continue to affect millions, and what these enduring challenges have created, in the words of the International Committee of the Red Cross' Peter Maurer, is a world in which "fragility has become the new norm...beyond the traditional dichotomy of war and peace, states of fragility are multiplying, driven by economic and environmental stress, poverty and injustice coming together in an explosive mix"¹. Global-scale conflicts may be a thing of the past, but rapid population growth, urbanisation, climate change,



displacement and intra-state conflict has meant this 'fragility' is a part of life for more people than ever before.

After major crises – natural or man-made – populations experience critical levels of poverty, insecurity and instability. Conflicts and disasters affect various levels of society, with impacts in the short and long term. The poorest segments, with the volatile and unpredictable incomes typical of the global poor, and the increased susceptibility to shocks that entails, are *doubly* affected: they are, by any reasonable meaning of the term, *vulnerable*. They need protection, they need help in crises, and they need *resilience* to be able to re-build their lives when hope appears lost.

A post-disaster or post-conflict context has many effects. It increases the risk of poverty traps over the short and long term. Poor households' incomes decrease, productivity of economic activities decreases, investments are impaired, market opportunities are reduced, trust and social relations are weakened, and health, housing and shelter conditions are worsened. That is, poverty is not just a household-level consequence of a crisis; but the whole community and economic value chain is affected; the re-establishment of normal socio-economic conditions is undermined. A *negative feedback loop* of poverty traps can emerge: incomes fall and become more volatile; productivity decreases;

¹ Speech given at European Microfinance Award Ceremony, November 2015, http://www.european-microfinance-award.com/_dbfiles/lacentrale_files/900/908/EMA2015MrMaurerlCRCPresidentspeech.pdf

markets worsen; infrastructure decays; movement of goods deteriorates; and social cohesion suffers.

And even if the immediate humanitarian needs are adequately met (often with the support of outside relief bodies), the situation is far from resolved. Livelihoods have to be restored, resilience developed, continuity of life – and the hope that comes with believing things can ‘get back to normal’ – are crucial.

Microfinance clients are some of the most affected by this fragility. They are typically among those who live in poorer countries, more susceptible to climate change, more likely to suffer unmitigated impact from natural disasters, and have to deal with conflict in their daily lives. Microfinance institutions (MFIs), which typically have a so-called ‘double bottom line’ focus and many of which even began as socially-focused NGOs, through group cohesion, the regular relationships with clients, and the custodians or channels of capital flows to many of the poor, are uniquely positioned to help them get back on their feet.

But of course, not just households, but microfinance *institutions* suffer too. Non-performing loans can skyrocket. Deposit-taking institutions may see a run on savings for which they are ill prepared. There is pressure to forgive debt, to write off loans, even as portfolio quality remains a key driver of funding: how to balance the need for future outside liquidity against the welfare of borrowers struggling today?

This is the systemic risk, the threats to the institution from the outside. But MFIs face yet further challenges. Physical infrastructure may be



damaged. The security situation may be precarious for staff, and some may leave, or be killed or injured themselves.

This may sound daunting, and it should: it is a massive challenge for an institution working in a crisis or post-crisis context to maintain services, stay afloat as an organization, adapt its approaches, and help its clients re-build.

Shining a light on institutions working in this area has been the task of the 6th European Microfinance Award, which focused on **microfinance in post-disaster, post-conflict areas & fragile states**, to recognise microfinance institutions that operate in these areas and provide financial and non-financial services aimed to increase the resilience of the affected, vulnerable population.

The 2015 Award looked for institutions that demonstrate an effective strategy to increase both their own resilience (i.e. operations,

staff, policy, control) *and* that of their clients (through appropriate financial and non-financial services), while ensuring responses that provide for their immediate, medium- and long-term needs. It sought to recognise excellence by answering the question: how can MFIs working in the most difficult environments balance their financial and social responsibilities, protecting the sustainability of the institution as well as the lives and livelihoods of their clients?

Microfinance provision under even normal circumstances is difficult to do well. In the aftermath of civil war, or after a natural disaster or health emergency, it is an immense challenge. This publication is designed to highlight what emerged from the Award process, the effective practices that the candidate institutions have developed, and what other organisations can learn from their responses to crises.

WHAT WORKS?

Each year, the European Microfinance Award has focused on a different aspect of financial inclusion, and each year the process of inviting applications and publishing summaries of the candidates' programs or initiatives has generated a new body of evidence of what is good practice in a particular context. It will never be 'one size fits all', of course. In crisis contexts, what is a bold response to an earthquake will not necessarily apply for a region emerging from civil war, or *vice versa*.

Nevertheless, as in previous years, e-MFP hopes that the lessons from the initiatives presented for the 6th Award will be of value to other financial institutions operating in crisis or post-crisis contexts. How can they provide humanitarian assistance to clients? How can they mitigate financial losses? How can they continue offering financial services to clients in difficult contexts – and which financial services are needed most? How do they absorb the inevitable deterioration in portfolio quality? How do they assess risk, and balance risk to assets against risk to clients and staff?

While heterogeneous by nature, the applications for the Award had in common:

- The promotion or pursuit of resilience - the ability of households or communities to respond to external shock and re-establish activities, living conditions and livelihoods' and

- Doing so in the face of vulnerability - the result of two factors: hazards and conditions.

The emerging factors which many of the applicants demonstrated are presented below. It's not an exhaustive list, and the factors aren't discrete – they overlap in key parts, and most institutions' responses encompassed many different elements. The profiles of the ten semi-finalists are chosen to indicate some of the ways these organisations incorporated these practices, but the choice of a particular MFI is illustrative only.

From the cases submitted for the Award, nine key factors emerge:

- 1 Immediate Humanitarian Response
- 2 Adapting Core Financial Services
- 3 Awareness Building & Psychological Support
- 4 Innovating with Products
- 5 Planning Ahead
- 6 Making Partnerships
- 7 Taking Care of Staff
- 8 Ensuring Financial Sustainability
- 9 Leading by Example

WINNER

Crédit Rural de Guinée (CRG),
Guinea

FINALISTS (in alphabetical order)

Taytay Sa Kauswagan Inc. (TSKI),
Philippines

The First Microfinance Institution –
Syria (FMFI-S), Syria

SEMIFINALISTS

(in alphabetical order)

Al Amal Microfinance Bank,
Yemen

Fonkoze, Haiti

Negros Women for Tomorrow
Foundation (NWTF), Philippines

PAIDEK, Democratic Republic
of Congo

Palestine for Credit and
Development (FATEN), Palestine

Rural Finance Initiative (RUF),
South Sudan

Standard Microfinance Bank Ltd.,
Nigeria

1

IMMEDIATE HUMANITARIAN RESPONSE

Humanitarian disasters mandate a rapid and flexible response. Physical infrastructure may collapse; clients' income volatility means they can plummet from basic comfort to life-threatening poverty in a short period of time and decide to migrate (internally or abroad) overnight without notice. Macroeconomic conditions may deteriorate quickly as well, as inflation rises, market access is reduced, and food and consumer goods become scarce. This is especially true for natural disasters in agriculturally dependent areas: the loss of a harvest can create enormous hardship which will carry over for many seasons.

A quick humanitarian response can manifest in various ways, including checking on clients' wellbeing immediately following a disaster. Responding to the devastation of Typhoon Haiyan in the Philippines in 2013, staff of Taytay Sa Kauswagan Inc. (TSKI) and Negros Women for Tomorrow Foundation (NWTF) ensured vital relief supplies reached affected clients before disease or starvation took hold. They also improved distribution channels for relief agencies providing vital equipment.

TSKI sent many staff straight to the field, checked statuses of clients, and assessed their needs. A TSKI truck from the head office was dispatched to affected areas within days. A medical mission and food for affected clients was organized in cooperation with volunteers from local health providers, while the government Department of Health

provided medicines. NWTF provided emergency relief distribution and purchased disaster response equipment such as electric generators, water purifiers, temporary shelters, and distributed them to clients, especially in remote areas that were difficult to access.

This is not a typical service for an MFI to offer, far removed from assessing loan applications, taking deposits, running group meetings or collecting repayments. Some institutions may also offer non-financial services to clients, such as financial literacy training, or health or sanitation education. In exceptional circumstances such as after an acute natural disaster, however, an MFI may have to effectively take on a genuinely new role, adapting to necessity in order to protect its clients. In the aftermath of a natural disaster, an MFI's network of relationships with clients and communities makes it an invaluable partner for relief or aid agencies. In this respect, the MFI becomes a *de facto* humanitarian relief organisation.

In the cases of both TSKI and NWTF, it was the immediacy of the humanitarian response that saved lives, and was achieved in the chaos, confusion and trauma of a disaster context. The close relationships with clients, networks of officers and agents and the natural group organisation structure of microfinance gives MFIs a special opportunity for positive impact in these trying contexts.

Taytay Sa Kauswagan, Incorporated (TSKI)



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Taytay Sa Kauswagan, Inc. (TSKI) is a non-profit Christian development organization serving 344,000 mostly rural clients in the Philippines through its 107 branches. In November 2013, Typhoon Haiyan (Yolanda), the most powerful recorded storm ever to make landfall, hit the Philippines with full force, taking more than 6,300 lives and affecting approximately 16 million people. In the aftermath of the storm, the livelihoods of an estimated 5.9 million people were destroyed or disrupted, 4.1 million people were displaced, and 1.1 million houses damaged or destroyed. Nearly half of TSKI's branches, with

352 staff and 37,270 clients were affected by the super typhoon.

Immediately after the Typhoon, all staff were advised to go into the field and check on the clients, without demanding repayment. They brought aid with them in the form of food, goods and other relief products that could help the clients in the disaster aftermath. Medical missions for affected clients were organized in cooperation with volunteers from a local hospital and medical school, with government authorities providing medicines free of charge.

Aside from immediate emergency assistance, TSKI also had a broad-based financial response. It processed over EUR 5 million in insurance claims to over 37 thousand affected clients. With 24 percent of its loan portfolio directly at risk as a result of the storm, TSKI deployed a multi-pronged response of immediate blanket moratoriums for all affected, followed by payment through insurance claim, rescheduling, and write offs. It launched a housing reconstruction loan and disbursed additional loans to allow clients to rebuild their livelihoods. Calamity payments and rebuilding loans were made to over 300 staff. This broad-based effort brought success: within two months after the disaster, the staff and clients were able to more or less recover from the devastation both to lives and properties.



2

ADAPTING CORE FINANCIAL SERVICES

In a humanitarian disaster, offering non-financial relief services is crucial, but further up the hierarchy of needs, clients need continuity of financial services to be able to rebuild. Unfortunately the usual model of clients visiting branches to borrow or deposit may become unviable. In this context, flexibly adapting the core business of the MFI – credit, savings, insurance, and payments – is vital.

In Haiti, devastation from the 2010 earthquake meant many areas of the country were inaccessible. Fonkoze's response was to establish mobile branches, to ensure continuity of financial services to those cut off and desperate. These were supplemented by the use of helicopters to deliver cash to isolated branches – especially important in a country and economy particularly dependent on remittance support from the diaspora. This greatly increased the ability of Fonkoze to rapidly deliver a large inflow of emergency remittances – eventually totalling over EUR 83.5 million – in the immediate aftermath of the earthquake. In these ways, the MFI recognised that its existing branch network was of limited use, and brought the services to the people, rather than the other way round.

In the Democratic Republic of Congo, Paidek has had to face multiple concurrent crises: a deep strong financial crisis with high inflation, civil wars, destabilisation of economic activities, multiple natural disasters, and a new phase of violence with executions, rape as a weapon of war, and forced recruiting by warring factions.

Paidek adapted its core financial services to this multi-pronged challenge, shortening repayment terms, rescheduling loans, strengthening the links with clients, including encouraging them to keep their savings in a stable currency. The MFI started using safe-deposit boxes, facilitated the relation of its clients with humanitarian associations, moved a branch to get nearer to clients and closed a branch that was in a high risk zone. It also

provided additional credits to clients affected by civil war or other violence. The MFI used various strategies, among them mobile banking, to maintain operations for its affected clients.

In another ongoing civil conflict, FMFI-S in Syria has had to face the multiple challenges of a security crisis, an economic crisis and a humanitarian crisis. FMFI-S, through its customer service call centre conducted a campaign to call clients and check about their addresses and situation, particularly after significant attacks or explosions in the capital. Service units and call centres maintained loan disbursements to the extent possible in secure areas. Deposit services were also continued, and FMFI-S built client loyalty during a period of liquidity shortage by allowing them to withdraw from their fixed term deposit accounts before maturity. FMFI-S also raised its loan limits in response to the decline in purchasing power.

FMFI-S has made numerous other changes to its lending program, including regularly revising loan amounts to remain relevant in the face of high inflation, and eliminating its prior cycle-lending methodology, making even first-time borrowers eligible for the highest lending limits.

In Guinea, the eventual Award winner Crédit Rural de Guinée (CRG) took a similar approach, responding to the Ebola outbreak by removing withdrawal limits on time deposits and offering a mobile cash transfer service to reduce the need for dangerous travel in the midst of a deadly epidemic. As a result of this flexibility, in the areas most affected by the epidemic, deposits totalling nearly half million euros were withdrawn during the height of the outbreak. Loan rescheduling was offered for those borrowers who could not continue their business operations; a new loan was offered to help them re-start, typically between EUR 60 and EUR 600, for one year.

Fonkoze

Fonkoze is a Haitian MFI established in 1994 with 45 branches across the country as of 2014, serving almost 60,000 borrowers and over 200,000 savers. In January 2010, a massive earthquake killed over 250,000 people and injured many more, displacing 1.5 million people from their homes – in a country of only 10 million people. At least three of Fonkoze's branches were destroyed and five seriously damaged. Over five years later, 80,000 people remain displaced, and the death toll from a subsequent cholera outbreak continues to rise above 10,000 people, with another 750,000 infected.

In the immediate aftermath of the earthquake, Fonkoze remained open and distributed remittances of almost EUR 113 million. In the worst affected



towns, the MFI established mobile branches. The MFI worked with UN and US government to arrange an emergency cash drop via helicopter in ten sites to help MFIs to keep distributing remittances. The MFI distributed cash grants to 450

employees that had their houses damaged. The MFI rolled out the Kore Fanmi Fonkoze - a recovery program and insurance pilot for around 20,000 clients that lost their homes or business. It distributed one-time cash grants of EUR 112 equivalent to almost 20,000 clients, and it cancelled the pre-earthquake loan balance for 10,445 victims of the earthquake. The MFI provided 10,869 loans to victims and educated 2,372 clients on risk management strategies. They provided one-time cash grants to over 9,000 clients who agreed to host victims of the disaster.



Paidek

Paidek is an MFI in the Democratic Republic of Congo (DRC), established in 1993 with almost 15,000 clients - almost all below the national poverty line - across 9 branches. Eastern DRC has seen long-term instability from ethnic conflict, natural disasters and resulting financial crises including high inflation. From 2012 to 2014, a new wave of violence began with widespread executions, rapes and forced recruiting by warring factions in the region.

Paidek and its clients have had to face an unusual and particularly difficult combination of crisis factors. The organisation has responded to this by maintaining a high degree of flexibility in its financial products - reducing the terms for instalment, rescheduling credits, strengthening links with clients and pushing clients to keep their savings in a stable currency. Paidek implemented use of safe-deposit boxes, facilitated the relationship of its clients with relevant humanitarian associations to provide additional support, moved one branch to get nearer to its clients, introduced mobile banking to help clients less able to travel to reach branches, and closed one branch that was in a high risk zone. It also provided additional credits to clients particularly affected by civil war or other violence.



3

AWARENESS BUILDING & PSYCHOLOGICAL SUPPORT

As well as demonstrating flexibility in adapting its financial service offering, CRG recognised the scope of potential impact a crisis such as a deadly outbreak can have on clients' stress, outlook, psychological wellbeing, as well as the role poor education or awareness can have in exacerbating these issues.

CRG's awareness building campaign was a critical part of its crisis response. CRG recognised that low levels of understanding of the causes and aggravating factors in Ebola's spread was a key factor driving the epidemic. In response, CRG did not limit itself solely to adapting its operations to the new situation, but actively mitigating the cause of the crisis itself. By undertaking a series of awareness-raising seminars, in which over 4,000 people participated nationwide, CRG directly helped to reduce the transmission rates of the disease. Its mandatory hand washing protocols at all its branches further helped spread the message of how to combat the epidemic.

As well as the consequences to lives and livelihoods, the psychological effect of a sudden disaster may be severe. Clients need not just physical or financial, but psychological resilience while vulnerable. While not a semi-finalist, Palmis Mikwofinans Sosyal in Haiti demonstrated excellence in how to mitigate the trauma of a catastrophe among clients and their families, as well as staff. Responding to the same 2010 earthquake in Haiti as Fonkoze, from September 2010 on and in every branch, Palmis recruited additional staff: a community worker, a social worker and a psychologist.

The community worker facilitated discussions with beneficiaries, and in particular on themes selected by beneficiary families – many of whom had lost family, friends and neighbours. The social worker's support was mainly related to housing, health or education and the

particular needs of clients who had lost the infrastructure of their lives – a crucial part of psychological resilience in crisis contexts. By contrast, the psychologist's work was focused on the individual follow-up of victims of the earthquake, especially those with acute trauma. In a first step, this special crew teamed up with loan officers to get to know individual and group beneficiaries to be able to identify priority needs. The team paid visits to institutions in the vicinity of Palmis branches such as registry offices, city councils, hospitals, and healthcare centres, in order to build a network of potential references. Integrating a psychosocial component into Palmis Mikwofinans Sosyal operations proved to be crucial for the success of the project.

In the long term, Palmis adapted this structure by keeping one permanent staff, the Social Officer, in each branch, in order to maintain this social bond with communities. A Head office staff member, the Social Mission Manager, supports the social officers.

A similar approach to Palmis was taken by NWFT in the Philippines, which responded to Typhoon Haiyan not only with humanitarian relief, but also by recognising the need for a response that goes beyond immediate relief efforts. NWFT's use of teams of volunteer professional psychologists made an important – if difficult to quantify – contribution to their recovery. These psychologists conducted post-trauma debriefing for all affected clients and staff. They also trained staff members to conduct subsequent sessions, to ensure that basic, long-term psychological support would be available to traumatised families. In this way, NWFT took people at their most vulnerable, and provided psychological resilience to help them rebuild.

Crédit Rural de Guinée (CRG)

CRG is a microfinance bank that established operations in 1989 in Guinea, serving mostly rural members. It has 120 affiliated savings banks (branches) across the country serving 250,000 members (including borrowers and savers) and since 2001, has been the only financial services provider in Guinea to operate on a nationwide scale.

In December 2013, the most widespread epidemic of the Ebola virus in history began in Guinea and spread to Liberia and Sierra Leone. By May 2015, Guinea had recorded 3596 cases with 2390 deaths. CRG was badly hit: 123 clients and 4 staff died initially, and this was compounded by changes in behaviour



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and economic downturn, as fear of the disease spread and workplaces were shut down temporarily, particularly in forested areas, resulting in workers unemployed and services to fragile clients being suspended.

At the beginning of the outbreak, CRG took health and safety measures directed at beneficiaries and staff.

All head office and network branches were equipped with sanitary kits (chlorinated water and soap for hand washing and infrared thermometers). A national awareness raising campaign was delivered on the risks associated with contracting the virus and on prevention, with over 4,000 participating. CRG facilitated savings withdrawals in affected areas, sometimes with transfers from crisis-stricken areas to unaffected ones. To allow clients to access savings, CRG allowed some term deposits to be terminated without penalty. The Macenta and Gueckédou areas (at the centre of the outbreak) saw over EUR 500,000 in cash withdrawals between August and December 2014.



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4

INNOVATING WITH PRODUCTS

Innovation in products is an important way institutions can adapt to a challenging context and ensure household liquidity, enabling the purchase of food, water, shelter and medicine, when livelihoods are temporarily suspended. Many of the semi-finalists in some way innovated in their product offerings and terms to the needs and capabilities of clients, from limitations on clients' mobility and inability to make repayments, to the need for simple insurance products which automatically pay out in the event of a disaster – ensuring much-needed liquidity for households whose livelihoods are lost and homes destroyed. Adaptation of core services was outlined earlier; but institutions can innovate with new products too.

Cash transfers are one way that institutions can bring liquidity to clients. Al Amal in Yemen and CRG in Guinea both implemented cash transfer mechanisms to allow easy access for clients. Al Amal used an agent network with Point of Sale capability to support cash transfers to affected clients, and partnered with multiple international organisations that needed a local partner to deliver cash aid following the 2011 political upheaval. This became an important source of funds for some of Al Amal's most vulnerable and remote clients, while safeguarding Al Amal's own financial position.

Credit, whether for enterprise development, household investment, or consumption smoothing, is the 'bread and butter' of microfinance. Loans can be particularly valuable during and after crises, from simple rescheduling or forgiveness (which almost all of the semi-finalists undertook) to emergency and rebuilding loans. In all cases, ensuring new or continued access to credit enabled businesses to stay viable, absorb financial shocks, and maintain hope amidst widespread hopelessness.

FMFI-S in Syria is operating in the middle of a chronic crisis – the ongoing civil war in the country. Its response has been to encourage continuation of lending by widening its guarantee scheme to encourage more SME lending and introduction of different products demanded by clients, such as Fixed Term Deposits, that can in turn serve as suitable loan collateral. Expansion of an SME lending program might not seem the most obvious response for an institution operating in the middle of a civil war. And yet, it is a logical step in Syria, where the small business sector has long been a mainstay of the country's economy.

Like FMFI-S, FATEN in the Palestinian Territories faces a chronic crisis context, and has innovated too, both in product design (new housing and emergency loans with lower interest rates were provided for rebuilding projects), and also in organisation and institutional processes, implementing internal committees to assess the status of its clients within 24 hours of cessation of violence. These committees allowed FATEN to contain the pressures on its loan portfolio during flare-ups in violence with Israel, and included in their response a systematized approach to write-offs (for those killed during the violence), along with rescheduling of loans and applying 6-month grace periods (for those with business and houses destroyed). New loans with lower interest rates were provided for rebuilding projects, housing, and emergency loans.

The Rural Financial Initiative (RUF) in South Sudan also innovated with products, offering emergency loans for existing clients with good histories. With South Sudan's currency rapidly depreciating, clients dealing with imported goods needed additional funds to cover the higher purchase cost. Others were faced with paying school fees that had been suddenly increased, and turned to RUF for short-term emergency funds.

Negros Women for Tomorrow Foundation Inc. (NWTF)

NWTF is an NGO in the Philippines, established in 1986. Operating via 78 branches, it serves over 200,000 clients, over 80 percent of which are below the poverty line.

Like TSKI, NWTF was hit by Typhoon Haiyan, affecting 71,000 clients, many of whom lost their homes and businesses, displaced from areas declared as 'no-build' zones after the storm. The MFI saw 30 branches damaged to varying degrees: from totally destroyed to impaired infrastructure (no electricity, no communication, water damage to office and office equipment).



The institution provided emergency relief distribution and purchased disaster response equipment such as electric generators, water purifiers, and temporary shelters. The MFI organised and conducted post-trauma debriefing to all affected staff and clients. The work was carried out by professional teams of psychologists

who volunteered to assist in helping typhoon victims cope with the stress and trauma. The volunteers also trained staff members for further sessions through house-to-house visits and community gatherings.

The Management and Board issued a moratorium of payments, freezing loan repayments for 31 percent of the overall portfolio. A Branch Support Unit was created which restructured back office service delivery structure. The institution immediately took steps to address post-disaster funding needs and got support from Whole Planet Foundation and Kiva. In the long-term the MFI added more technology products offered to rural clients meant for disaster response such as solar lamps, water filtration systems, and sanitary toilets.



Insurance, too, is a crucial tool in mitigating losses for clients in crises, and of particular importance to poor people, whose income is typically volatile and unsecured. However, given the significant cost and time associated with case assessment and loss adjustment, providing insurance in response to a natural disaster requires simple and standardised processes.

Even before Typhoon Haiyan, TSKI had worked with MicroEnsure to develop an insurance package known as Triple Care to increase the level of client resiliency. Triple Care provides payment of a weekly loan amortization to TSKI in the event that the member dies, is hospitalised, or their residence is damaged or affected by disaster. Calamity assistance provides a payment in the event of loss or damage to the insured residence from typhoon, flood, volcanic eruption, earthquake, and tsunami. Triple Care and calamity assistance accounted for total claims of EUR 5.2 million from 37,270 affected clients. To insure timely funds, TSKI itself advanced the funds for calamity assistance payouts immediately after Typhoon Haiyan, even as claims from insurance providers were being processed.

In Haiti, before the earthquake, Fonkoze had piloted *Kore Fanmi Fonkoze (KFF)*, a basic insurance product that would be triggered automatically in the case of catastrophe. Following the earthquake, the American Red Cross (ARC) supported Fonkoze in successfully rolling out KFF, Fonkoze's earthquake recovery and support program to over 30,000 borrowing clients across the country, specifically targeting earthquake-affected zones. The KFF program provided a 5,000 gourdes (EUR 100) cash grant to eligible clients accompanied by a penalty-free cancellation of their current microcredit loan, and access to a new loan to assist the recovery process. Fonkoze, as the implementing partner, performed the screening of eligible beneficiaries, using staff available in 44 branches throughout Haiti, in addition to playing the primary role in effecting cash payouts and monitoring and evaluation associated with the program. The lessons from the roll-out of KFF were used to develop further disaster microinsurance products for Fonkoze's clients.



Al Amal Microfinance Bank

Established in 2008, Al Amal Microfinance Bank in Yemen has 18 branches with almost 100,000 clients, two thirds of which are in urban areas. The Yemeni Revolution during the so-called Arab Spring followed uprisings in Tunisia and Egypt in 2011. Capitalising on the instability, the rebel Houthis took broad control of northern Yemen, including the capital Sana'a itself in 2014 and followed by Saudi-led military activities against the rebels in 2015. Yemen is currently under siege by air and naval campaigns as well as ground clashes resulting in an air, land and sea embargo. Al Amal suffered declining portfolio, increasing PAR, difficulties retaining affected staff, and many clients saw their livelihoods threatened, businesses destroyed, families displaced and were forced to use their life savings for consumption needs.

Al Amal developed a Cash Transfer product with the objective of maintaining households' previous consumption levels and thus reduce food insecurity and is likely to keep children in school. To do this, the bank increased its field staff to 50 and its agents' network to 417 points of sale (POS). Al Amal also adopted a new Value at Risk (VAR) - the value



which the bank can afford to risk - methodology for crisis management, employing a set of precautionary procedures to help the institutions continue activities at minimum levels.

In addition, Al Amal has partnered with the Yemeni apex institution the Social Fund for Development (SFD) to channel funds to beneficiaries under intensive labour projects

(Cash for Work) to create short-term employment through small infrastructure development projects. Al Amal also partnered with Social Welfare Fund, ACTED, UN World Food Program and Islamic Relief to provide cash payments to remote and rural areas with the objective of restoring livelihoods.

5

PLANNING AHEAD

Immediate humanitarian responses are needed for sudden, acute crisis contexts (such as earthquakes or typhoons), but not all natural disasters are unforeseeable, and not all crises are sudden. In some contexts, thinking is needed for the medium and long term, such as having business continuity plans in place, organisational structures that can respond to changing client needs following a crisis, or which recognise that some crises will inevitably endure for months or years.

Responses such as these, to protracted crises, are by definition put in place in difficult circumstances. FMFI-S in Syria, for example, had to face severe staff defection. Many clients were killed or injured, displaced or faced with sectarian violence, many lost their businesses and livelihoods. The deteriorating economic situation also put pressure on FMFI's cost of operations, which increased and were exacerbated by inflation. External sources of funding dried up as a consequence of sanctions: transfers from and to Syria were blocked. This also resulted in technical assistance projects stopping in 2011 because consultants were unable to come to Syria.

FMFI-S exemplifies robust risk management with a business continuity plan. With no end in sight to Syria's now five-year civil war, its plan has helped FMFI-S provide a consistent and effective response to an ever-changing situation. It created emergency teams at all locations and defined their responses and responsibilities. The plan put in place prioritised responses, depending on the severity of a specific event, including specifying evacuation procedures for staff and assets, along with alternative operational locations. The plan also enacted procedures for insuring data security, training of staff on safety procedures and first aid, as well as frequent tests of the business continuity plan.



Disaster-preparedness is not just for war zones. Contingency procedures are important for all institutions, though especially those operating in environments susceptible to sudden natural disasters such as earthquakes. As institutions that are closest to the affected populations, MFIs should plan ahead for disasters, and when necessary, seek support from investors and donors for putting such plans in place, and providing regular staff re-training and drills. Practice and preparedness will reduce panic and increase the resiliency of the institution itself to devastating events, and will also build trust among clients that the institution is capable and willing to help them. And when disaster strikes, planning will pay off many times over.

The Philippines is a particularly disaster-prone country, subject to earthquakes, volcanoes, and frequent storm surges and typhoons. Recognising these risks, TSKI developed an internal Disaster Risk Reduction Management (DRRM) framework, constituting a committee under the guidance of a DRRM officer that sets out full roles and responsibilities of different operational units, as well as specifies steps to be carried out in

Rural Finance Initiative (RUFi)

Rural Financial Initiative (RUFi) is a Non-Bank Financial Institution established in 2008 in the young country of what is now South Sudan – which gained independence in 2011. It has 3 branches serving roughly 1,800 clients, over half of which are in rural areas. Despite the hope at independence from Sudan, which itself followed 22 years of conflict, South Sudan was plunged almost immediately into civil war, which worsened in 2013, displacing over 800,000 people and taking 50,000 lives, not counting the immense economic cost to a young and already very poor country.

Acute conflict broke out in December 2013, and RUFi initially ensured all staff were safe and offices remained closed. When the gunfire had subsided and fighting was out of its operational areas, RUFi partially re-opened for operation, taking stock of clients and their welfare, with all officers calling all clients by phone. Fortunately no staff or clients lost their lives, however 20 percent of clients either migrated or were displaced and 10 percent lost their businesses, mostly to looting, which affected PAR. Despite this, RUFi provided emergency loans for reputable repeat clients, to facilitate continuity for small businesses and smooth incomes during a time of economic and security upheaval.





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advance, during, and after an expected severe weather event. TSKI has also set up an internal Disaster Fund, to provide liquidity in the immediate aftermath of a disaster, and has also engaged outside partners to provide special funds earmarked for disaster response.

Another type of context is an institution operating in constant crisis or decades-long conflict, which requires not just adapting to or recovering from a crisis, but making sure that the institution and its clients can live with it. The conflict between Israel and Palestine is decades old. FATEN's responses has been the creation of a Risk Management Unit that is rooted and integrated into the daily operations of all departments, and with risk management responsibilities defined at every organizational level. Its strategic planning incorporates evaluation of potential emergency scenarios. And its expansion strategy includes opening branches in areas in Gaza that had only recently been under attack.

As long term strategy, the MFI developed a Risk Management Unit, policies and procedures related to internal operations, created Committees – as described on page 24, established new branches and offices to explore new markets in affected areas, partnerships with international and local institutions, development of training for staff members to deal with the conflict situation and notice early signs of a crisis were also established.

In addressing the effects of the enduring conflict with Israel, FATEN's context is different than those of some other semi-finalists, requiring a longer-term adaptation to an intractable crisis context.

Yemen, like Syria and Palestine, has suffered a long-term conflict situation, in Yemen's case since 2011. To respond to the new situation, Al Amal Bank has adopted a new methodology in crisis management called Value at Risk (VAR - the value that the bank can afford to risk) which translates into a set of precautionary procedures that will help the institution continue activities at minimal levels and earning revenues despite the risks surrounding its internal and external environment. This has helped Al Amal to set realistic targets for client outreach, loan portfolio, and staffing. In practice, this has meant keeping a steady number of clients since 2011 (about 14,000), maintaining a clear stance of neutrality between the warring factions, and focusing on maintaining a strong relationship with its clients, including expanding its product offerings.

With the escalation of the conflict in March 2015, Al Amal formed a Crisis Management Committee tasked identifying branches for temporary closure due to high security risks, while focusing on client access to liquidity, in particular to savings accounts and insurance.

The First Microfinance Institution – Syria (FMFI-S)

The First Microfinance Institution – Syria (FMFI-S) was established in 2003 in an otherwise underserved and under-banked area and is the first private-sector microfinance service provider in Syria, with 45,314 clients, across 7 branches and 6 service units as of December 2014. More than 250,000 Syrians have lost their lives in almost five years of armed conflict, which began with anti-government protests before escalating into a full-scale civil war. Nearly 11 million people have been affected and over 6 million have been forced from their homes as forces loyal to President Bashar al-Assad and those opposed



to his rule battle each other - as well as jihadist militants from ISIS.

A Contingency and Business Continuity Plan (BCP) during disasters was put in place. The BCP identified emergency teams at all locations and their responses and responsibilities. Multiple service units were established in different regions.

As safety on roads became an issue, and FMFI-S's branch in Homs – one of the epicentres of the conflict – was destroyed, FMFI-S tried offering alternative access points for clients. In May 2013, FMFI-S also introduced crisis response interventions: loan forgiveness for clients unable to repay; rescheduling outstanding loans for existing clients; offering additional new loans or larger amounts for existing clients; and lending to new customers, including start-ups.



6

MAKING PARTNERSHIPS



Partnership with relief operations providers is important, especially in the immediate aftermath of natural disasters. Few MFIs have the necessary expertise in logistics, distribution and HR in delivering relief supplies ‘against the clock’. It is important to have existing relationships with international or local aid agencies, so that in crisis contexts, the apportionment of responsibility – whose job is it to do what? – is clear.

After the devastating earthquake hit Haiti in 2010, Fonkoze soon found itself on the receiving end of a rapid inflow of remittances from the large Haitian community abroad, especially in the US. However, in the post-earthquake scenario in Haiti, where destroyed roads and infrastructure were formidable obstacles to getting money

into the hands of the intended recipients, Fonkoze’s response was to partner with the United Nations and the US government to arrange emergency cash delivery via helicopter to ten sites around the country, which allowed its staff to distribute the remittances – often the very first source of “aid” they received.

Like Fonkoze, responding to Typhoon Haiyan in the Philippines, both TSKI and NWFT relied on partnerships to provide relief services to clients. For TSKI, care for affected clients was organised in cooperation with volunteers from a local hospital and medical school, and medical supplies were sourced from the Department of Health. Similarly, NWFT relied on teams of outside volunteer psychologists to provide post-crisis counselling to affected clients and also train staff to provide follow-up sessions. In doing so, both TSKI and NWFT played a key role linking outside experts and critical supplies with the people most in need. For MFIs that pride themselves on having close relationships with their clients, such partnerships are an excellent means to quickly and efficiently direct expert assistance.

Partnerships can also be important during post-crisis recovery, after the immediate emergency has passed. In Guinea, CRG collaborated with the UN World Food Programme (WFP) to distribute compensation for healthcare workers and Ebola survivors, benefitting over 55,000 families, many of whom have become socially stigmatised because of their prior infection.

FATEN – Palestine for Credit and Development

FATEN is a Non-Bank Financial Institution in Palestine, established in 1998. It has 24 branches supporting almost 30,000 mostly-rural clients, almost three quarters of which are below the national poverty line.

The ongoing Arab-Israeli conflict provides a unique set of challenging conditions for FATEN and its clients, with militarised checkpoints and the Israeli Security Barrier limiting movement and impeding markets. Regular wars waged between Hamas and the Israel Defence Forces, including regular shelling by Hamas fighters and restrictions on Gazans' movements by Israel have been exacerbated by flares in conflict between belligerents in 2008, 2012 and 2014 – in the last of which over 2,000 died, over 17,000 homes were destroyed, and losses to the Gazan economy of EUR 2.6 billion were accrued.

FATEN created a special Emergency Committee to deal with maintaining communication with clients, staff members and provide support to cope with the ongoing conflict. Damage Control Committees were also formed to count the damage inflicted by the conflict on people and in particular, clients and infrastructures: at household, business and MFI branch level.



The MFI also formed a social and humanitarian committee to deal with emergency relief and family support. The actions of these committees allowed the MFI to contain the portfolio at risk that passed from 13 percent at the beginning of the 2014 fighting to 3.8 percent at the end of 2014 and less than 1 percent in the first quarter of 2015.

7

TAKING CARE OF STAFF



Retaining and motivating staff is difficult for many MFIs, and especially so during and after crises. After all, local staff often come from the very communities they serve, and are thus equally vulnerable to natural disaster and conflict. While this makes staff better able to identify with the plight of the institution's clients, it also makes them equally vulnerable. It is thus critical that the institution do everything it can to insure staff safety and give them the assurance that they and their families will be supported should they themselves fall victim to the crisis.

Staff that is thus supported will be far more willing to go beyond their normal duties, including volunteering extra time to support the MFI's emergency response, and perhaps no less importantly, take personal initiative to support clients in a time of need. Staff will also welcome the feeling of being able to contribute in helping their own communities deal with a crisis.

During the Ebola epidemic, CRG lost 4 staff to the disease, including one loan officer whose death was accompanied by the loss of 8 family members. CRG's policy covered full health costs of hospitalized staff, along with death benefits to the families of the deceased. Moreover, implementation of visible health and safety measures in all branches, including gloves to all staff handling cash, helped increase the sense of safety of all employees.

For FMFI-S, operating in the midst of a civil war has meant an unceasing focus on keeping staff safe above all else, even as it kept branches open in areas close to the fighting, as in Homs. One of its cars was fired upon while driving between branches, while its Homs branch was destroyed. A number of staff were forced to move due to the fighting. While FMFI-S management regularly reviews the security situation for all its areas of operation, it additionally tells its staff that if at any time they are not comfortable, they should not go into the area. Staff safety is its first priority, then clients, with physical assets and infrastructure third.

At NWFT, focus on staff following natural disaster is to first account for their safety, then provide for all their basic needs (food, clothing, shelter), including access to their families. After a disaster, staff members are provided a mandatory off-work period for them to debrief and seek relief from the trauma. Also, full life and medical insurance coverage are accorded to the staff to ensure that they receive the best possible care. The HR Department even employs dedicated personnel to provide staff with hospital and doctor referrals, hospital admission assistance, etc.

8

ENSURING FINANCIAL SUSTAINABILITY

Securing liquidity – including from investors - is one of the hardest things an MFI has to do, and it is not entirely within its own control. In any post-crisis context, there will be a deterioration of portfolio quality; defaults will increase; savings will be withdrawn; cash reserves exhausted. Maintaining liquidity from funders will be the difference between survival or not. MFIs should remember that most microfinance donors or investors pursue a double-bottom line – they care about the livelihoods and wellbeing of clients, too. The institution should be clear about what is happening on the ground, appeal for patience, and most of all, provide a plan. Investors will take risks and absorb losses if they believe the situation is under control and management has clear vision of what is needed to restore normal services.

When conflict or disaster strikes, two sources of liquidity are key: deposits and strong relationships with social and development funders and investors. For FMFI-S, cut off entirely from foreign funding as a result of the war and accompanying sanctions on the Syrian regime, deposits have proven a lifeline. Indeed, during the course of the war, FMFI-S has found that demand for deposits increases, as the risk of keeping cash grows in such insecure times. And keeping services open and flexible (for example, allowing early withdrawal for time deposit clients during

a liquidity crisis) has increased its reputation, insuring that depositors would continue to trust the institution with their money.

For those that have retained access to foreign funds, social and development investors have proven critical. RUFi in South Sudan, which had an existing agri-finance relationship with the Dutch NGO, Cordaid, received an emergency grant during the 2013 conflict, which supported important risk mitigation measures. Similarly, following the 2014 conflict in Gaza, FATEN worked with Kiva, a US-based non-profit microfinance lender, to launch a new product named *Gaza reconstruction loan*, which aims to rebuild the houses demolished during the violence. The balance of these loans eventually reached more than US\$2.2 million.

Finally, following the violence and political upheaval in 2011, Al Amal Bank in Yemen was able to secure extensive funding from development institutions, including the KfW-backed SANAD fund. However, with the outbreak of civil war in 2015, access to foreign funding in the country has been cut, which is likely to place Al Amal in the same situation as FMFI-S, that is, to focus on deposits as the primary source of funding.

Standard Microfinance Bank Limited

Established in 1992, Standard Microfinance Bank Limited is a Non-Bank Financial Institution in Nigeria with 14 branches serving over 33,000 rural and urban clients in 2014. Since 2011, Nigeria has been beset by a murderous Islamist insurgency from Boko Haram, a terrorist group seeking to implement Sharia'a Law in northern Nigeria and establish an Islamic Caliphate, killing moderate Muslims and Christians at will, more than 10,000 so far, and sending 1.5 million people fleeing from the area. Eight staff and their families were affected, and three clients were killed. Displaced clients made it hard for Standard to recover loans, but the real difficulty was the severe loss of business confidence in traumatised communities.

Standard Microfinance Bank has steadfastly conveyed to clients and communities its resolve to continue to work with them, and expressed solidarity and support by maintaining services from its branches, unlike many competitors. In 2012, a major attack targeted at local government headquarters in the provinces of Ganye and Song forced banks to close all their branches permanently. After violent attacks in Mubi, Madagali and Garkida in 2014, Standard Microfinance had to close its branches temporarily but reopened



soon after, and rescheduled around 230 loans for affected clients. Despite this situation, Standard has developed and introduced a financial literacy curriculum since 2013, with 4,000 people trained in two years, including non-clients, as well as employing 220 trainers. And in 2013 and 2014, Standard arranged free distribution

of fertiliser for farmers affected by the insurgency, with nearly half of all customers benefiting from the programme.

9

LEADING BY EXAMPLE

Conflict and disaster is frightening, and many who live through it continue to suffer the effects for years, including Post Traumatic Shock Syndrome. The fear of losing loved ones and the grief of having done so can traumatise survivors of natural disasters; in conflict zones, the experience of being surrounded by military activity puts enormous stress on those who have to live through it. In case of sustained terrorist insurgency, one is tempted to 'give in'; to capitulate; to feel hopeless.

Under these trying circumstances, some organisations have the opportunity to lead by example, to refuse to be cowed, to show bravery even, and in so doing impart that resilience onto their clients and their families.

This is arguably true of most institutions operating in conflict zones. But on this point, Standard Microfinance Bank stands out. In Adamawa state in Northeast Nigeria, the barbarous terrorist attacks of Boko Haram caused many banks to flee and close their operations, with the number of branches in the state declining by 40 percent between 2011-14. In the face of this threat, Standard Bank conveyed its resolve to clients by not only remaining open, but by doubling its branches in the state from 7 to 14 during that same period. And aside from continuing to provide financial services when few others would, Standard Bank rolled out financial literacy training to 4000 people, both clients and non-clients – a third of them women – in the face of terrorists who are violently opposed to education of any sort for women or girls.

In Guinea, too, CRG's management and staff demonstrated leadership and bravery in keeping branches open and offering both financial services and awareness-raising seminars to counter the spread of Ebola – all during a frightening time when to 'cut and run' must have seemed an easier option. Indeed, some financial institutions *did* close in the Ebola-affected countries during the epidemic. But CRG, armed with handwashing stations and infrared thermometers, soldiered on, remaining open in all but the most severely affected regions.

Neither Standard Bank nor CRG, nor for that matter any of the other finalists and semi-finalists who demonstrated courage under dangerous circumstances, were reckless. All took care to protect the institutions and their staff. In doing so, they are leading by example, and showing that financial services are important even in the most difficult situations. While leading by example will not be relevant in all contexts, the bravery of MFIs decision-makers to take on personal risk and hardship to serve vulnerable clients is worthy of great respect.

CONCLUSIONS



Providing services to clients during or after crises is extremely challenging. Whether in response to a natural disaster and humanitarian catastrophe, or maintaining services in the face of a longer-term crisis such as outbreak of disease or civil conflict, or in face of apparently endless violence and instability, the obstacles are enormous, and they vary as much as the crisis contexts themselves.

There is no one-size-fits-all response. In fact, the programs highlighted by the 6th European Microfinance Award have recognized excellence in starkly different contexts, with equally different approaches. An MFI which is trying to save clients' lives after an earthquake or typhoon must think differently than one which is facing an epidemic, or a terrorist threat.



And while some crises are more foreseeable than others, the best responses by MFIs, which best provide resilience to vulnerable clients and ensure resilience in the institutions themselves, are those which are a result of planning ahead. Quick response, innovations in product design, HR policies and procedures, psychological support to clients and leveraging of partnerships: these are all factors which distinguish the best responses by the best institutions, but what they really share in common is **preparedness** for the worst, to ensure that, should the worst happen, clients at their most vulnerable can turn to the microfinance institution with trust.



ABOUT THE EUROPEAN MICROFINANCE AWARD



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 and since 2014 an annual award, 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).

Previous editions addressed the following subjects:

- **2014, Microfinance and the Environment**

Integrating environmental governance into the DNA of the MFI and promoting initiatives to improve environmental sustainability. Winner: Kompanion (Kyrgyzstan), for its Pasture Land Management Training Initiative.

- **2012, Microfinance for Food Security**

Microfinance initiatives contributing to improve food production and distribution conditions in developing countries. Winner: ASKI (The Philippines), for its micro agriculture loans for smallholder farmers and agribusiness and support to market linkages to private sector enterprises.

- **2010, Value Chain Finance**

Outstanding microfinance initiatives in productive value chain schemes. Winner: Harbu (Ethiopia), for an initiative financing a soybean value chain.

- **2008, Socially Responsible Microfinance**

Innovative microfinance initiatives to promote social performance. Winner: Buusaa Gonofaa (Ethiopia), for the development of its client assessment system.

- **2006, Innovation for Outreach**

Microfinance breakthrough initiatives deepening or broadening rural outreach. Winner: The Zakoura Foundation (Morocco), for its programme on rural tourism.

THE AWARD SELECTION PROCESS



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The Award was launched through a worldwide campaign thanks to the support of the European Microfinance Platform (e-MFP) network; global, regional and national networks around the world, as well as e-MFP media partners such as MicroCapital Monitor, Microfinance Gateway, NexBillion etc. In 2015, the Award was launched on April 13th and a record 47 applications from 28 countries were received by the deadline on June 3rd.

The applications went through a selection process composed of the following three phases:

1. A Pre-selection Phase, in which applicants were preselected on the basis of the eligibility criteria, a sound financial and social performance and a meaningful and significant project presented for the Award. A pre-selection Committee composed of the e-MFP and InFinE.lu Secretariats as well as the team of consultants supporting the Award selection process was set up.
2. A Selection Phase where the preselected applicants were evaluated by the Award Selection

Committee to select the semi-finalists and the three finalists. The Committee was composed of members of e-MFP and InFinE.lu.

3. A Final Phase in which a High Jury, composed of seven members and presided over by Her Royal Highness the Grand Duchess of Luxembourg, selected the winner from the three finalists.

The winner was announced at the Award Ceremony on 19th November 2015. The Ceremony was hosted by the European Investment Bank in Luxembourg.²

² The Brochure highlighting the three Finalists' programs can be found at http://www.e-mfp.eu/sites/default/files/resources/2016/01/6th%20European%20Microfinance%20Award%20brochure_final_web.pdf

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