

Press Release – for immediate release

Buusaa Gonofaa Microfinance, Muktinath Bikas Bank and RENACA-Bénin announced as Finalists for European Microfinance Award 2020 on *Encouraging Effective & Inclusive Savings*

- Three finalists represent diverse landscape of approaches to encouraging savings usage
- Covid-19 crisis means access to savings more important than ever before
- Buusaa Gonofaa Microfinance of Ethiopia was selected for its doorstep savings initiative
- Muktinath Bikas Bank of Nepal was selected for its incentivised solidarity-based group savings model
- RENACA-Bénin was selected for its ‘tontine’ doorstep services and promotion of savings behaviour via community savings and credit groups
- Three finalists go to High Jury for evaluation and selection of winner, to be announced at online Ceremony during European Microfinance Week (EMW 2020) on Thursday 19th November, 2020
- €100,000 prize for winner; €10,000 for runners-up
- Three finalists and seven semi-finalists to be profiled in e-MFP’s annual Award publication, launched during EMW 2020

6th October, 2020

Luxembourg

On the 30th September and 1st October 2020, the Selection Committee for the European Microfinance Award 2020 (EMA 2020) on “Encouraging Effective & Inclusive Savings” chose the three finalists who will go on to compete for the €100,000 prize: Buusaa Gonofaa Microfinance, Muktinath Bikas Bank and RENACA-Bénin. These three organisations each offer savings products and services that are demand-driven, encourage usage based on a genuine understanding of clients’ needs and behaviour, reach under-served populations who need these services the most, and ensure that the savings are accessible, affordable and useful.

This has never been more important. The Covid-19 pandemic, with its economic lockdowns that shuttered businesses and the drastic downturn in macroeconomic conditions (including in trade and tourism, on which so many financially vulnerable households depend), means that encouraging savings activity and ensuring easy access has been critical in providing resilience to millions who risk dropping into abject poverty. **The value of savings to clients is**



well established and broad. It includes allowing consumption smoothing in the face of income volatility; minimising the impact of financial and other shocks; encouraging long term planning; drives gender empowerment; offers the opportunity for equity creation and productive investment; and drives the formalisation of financial services, with lower delivery costs, more diverse products and service; and increased safety and convenience.

But “Encouraging Effective & Inclusive Savings” means more than opening accounts. It should reach under-served populations. It should ensure products have real value to clients. And they should be designed to encourage usage through understanding the mental models which govern behaviour – how real people think about money, time, risk and opportunity.

The EMA 2020 process began at the start of the year, with Round 1 receiving an unprecedented 70 applications from 37 countries. After evaluation based on eligibility, relevance, innovation and outreach, 38 of these organisations were invited to continue to the more comprehensive Round 2, which this year also included questions on how the organisation was responding to the challenges of Covid-19, and in particular how savings mobilisation is protecting clients during this time.

The EMA evaluation team assessed these 38 applications against rigorous and established criteria before 19 from 17 countries were forwarded to a Selection Committee composed of 19 experts, including members of the European Microfinance Platform (e-MFP), Luxembourg Ministry of Foreign and European Affairs and the Inclusive Finance Network Luxembourg (InFiNe.lu). This Selection Committee met over two days and chose the semi-finalists, and then Buusaa Gonofaa Microfinance, Muktinath Bikas Bank and RENACA-Bénin as the three finalists for the Award:

- **Buusaa Gonofaa Microfinance (BG)** is an Ethiopian MFI which offers credit, savings and agriculture value chain financing to poor population segments, especially women. BG was selected for its high-touch saving initiative called ‘Dejaf Iqub’, which offers a safe, easy and appealing way of saving through regular doorstep collection of goal-based small deposits. Dejaf Iqub targets informal microentrepreneur operators with active cash flows who run businesses in densely populated market centres.
- **Muktinath Bikas Bank (MBB)** is a leading National Development Bank in Nepal with the social mission of financial inclusion of the community which serves poor households and low income women with a range of banking products. To reach its targeted population, MBB designed an adapted solidarity group savings model with doorstep services, encouraging positive savings activity via a combination of



mandatory and interest-earning voluntary savings, including dedicated pension and insurance savings products, alongside extensive financial education.

- **RENACA-Bénin** is a union of cooperatives in Benin which mainly targets low income and vulnerable populations predominantly in rural areas. RENACA's savings initiative focuses on doorstep collection of local savings via a wide range of products ('tontine' doorstep models, term deposits and demand deposits), and promotion of savings through community savings and credit groups, supported by a mobile application and use of tablets for secure and trustworthy client transactions. These products are backed up by a wide range of financial education and other non-financial services.

The entire Award organising team would also like to pass on congratulations to the 7 Award semi-finalists as well: Cooperativa Fondesurco of Peru; DSS Platform Ltd of Ghana; Fansoto of Senegal; Mobilink Micro-Finance Ltd of Pakistan; Opportunity Bank Serbia; RENEW Microfinance Private Ltd of Bhutan; and Ujjivan Small Finance Bank of India.

After the announcement of the three finalists, the Luxembourg Minister for Development Cooperation and Humanitarian Affairs, Mr. Franz Fayot, said: *"The extraordinary response to this year's Award is strong evidence of the impressive reputation it has gained for rigour and quality as well as for the exposure benefits that those who do well in the process can reap. The diverse applications highlight not only how important responsible inclusive financial services are during crises, but also how especially savings can strengthen resilience of vulnerable communities. We are impressed by the diversity of this year's field of applications, and congratulate Buusaa Gonofaa Microfinance, Muktinath Bikas Bank and RENACA-Bénin in particular on being chosen as finalists. I wish all three finalists good luck"*.

The winner will be chosen from the three finalists by a High Jury and announced on the 19th November 2020 at an online ceremony starting at 2pm CET during EMW 2020. All ten semi-finalists will be profiled in the e-MFP Award publication launched during EMW, which will also summarise the 'factors for success' that underpin the different successful savings models which this year's process has highlighted.

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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, 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).

See www.european-microfinance-award.com/

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