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## **PAMIGA development approach: Spreading renewable resources access in rural Africa**

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# Presentation of PAMIGA

- **MISSION:** PAMIGA (**Participatory Microfinance Group for Africa**) aims to **contribute to unlock the economic potential of rural Africa, by promoting the growth of existing financial institutions that service rural areas.**
- **INTEGRATED APPROACH:**

PAMIGA has opted for an integrated approach to support RFIs with both technical assistance and financing to help them scale up and achieve considerable outreach in rural areas:

  - **PAMIGA Association**, a not-for-profit organization, provides demand-driven **technical assistance** to FIs in order to improve their institutional capacity and service delivery to rural clients.
  - **PAMIGA Finance S.A.**, an **impact investment vehicle** based in Luxembourg, founded, owned and controlled by PAMIGA Association, provides adapted long-term financing to member FIs (senior debt, quasi-equity and equity). As of today, funding reaches € 18 million, gathering public and private investors: **the Swiss Development Cooperation (SDC)**, the Overseas Private Investment Corporation (OPIC), the European Investment Bank (EIB), the French Development Agency (AFD), the Calvert and Rockefeller Foundations.

# Presentation of PAMIGA

- **NETWORK:** Since its creation in 2005, PAMIGA has developed a network of 16 Rural Financial Institutions (RFIs) highly motivated to develop **rural finance** in **9 Sub-Saharan African countries**. As of today, those FIs reach more than 1.3 million clients with a loan portfolio of around € 110 million.
- **PRESENCE:** PAMIGA has its head office in Paris, and two regional offices in Dakar and Nairobi.





# Presentation of PAMIGA



- **BUSINESS PLAN:**

In July 2015, PAMIGA started its third business plan, for a duration of 4 years, focusing on four areas of concentration:

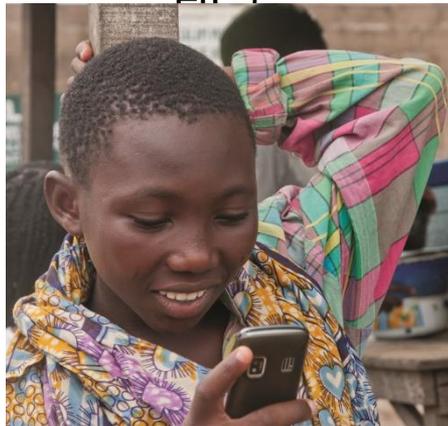
- **The use of technology** to develop new, innovative business models like alternative delivery channels to make financial service delivery more efficient. PAMIGA concentrates on the implementation of Digital Finance solutions for FIs.
- **The design of dedicated financial products.** PAMIGA facilitates the design of innovative financial products for FIs to finance **access to rural water, renewable energy, and the financing of agriculture and agricultural value-chains.**
- **The set-up of responsible practices in finance, risk management and client-centric operations.** PAMIGA concentrates on financial education, client protection principles, environmental performance, financial and risk management systems and governance.
- **The delivery of adapted long-term financing** to FIs member of PAMIGA network, through PAMIGA Finance S.A.

# Results

A network of client-centric rural FIs, with high social performance and controlled growth



Strengthened MIS that allow developing digital finance services (Agent Banking, financial education, Ag BDS, etc )



A diversified offer of financial products, including « green » products in which PFSA will be able to invest



A positive impact on low-income rural populations



IMPACT INVESTING in Rural Economic Development

## What works well

- Today, PAMIGA is **the most important and sustainable network of African MFIs**: a very heterogeneous but united network, respectful of differences, and willing to become more financially and socially performant through benchmark.



- **Thanks to SDC**, PAMIGA has been able to set up an **investment vehicle tailored to RFIs' needs**, that assists them in their development and innovation. The leverage effect is 1 to 5 including private investors.
- **A competent, qualified and motivated team!**



## What did NOT work well

- The **complexity of multi-stakeholder programmes**
- **Fragile local contexts** (terrorism, political economics, competition and saturated market in urban areas, tougher regulations, etc.) that have prevented PAMIGA and partner FIs from fully seizing opportunities offered by technologies (IT and energy)
- **Time, patience and support** needed to assist member RFIs in evolving and strengthening their positioning



## Lessons learned

- **Microfinance is truly a mean, not an end.**
- Now that MF has created a viable delivery channel to reach the rural underserved with financial services, governments and private sector actors can use this **delivery channel** to provide various types of **high-impact services efficiently at the LAST MILE**: access to clean water and energy today; health care and education tomorrow, with always a special focus on Local Economic Development.



# Plans for the future



## Going from pilot to scale:

- More countries
- More outreach
- More partnerships – engaging in particular in Public-Private Partnerships to foster access to clean water and energy and agricultural development



**Thanks for your attention!**