



Lebanese
Micro-Finance
Association

جمعية مؤسسات التمويل الأصغر في لبنان

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TOGETHER

TOWARDS A MORE INCLUSIVE FINANCE



A first step into a more consistent lobbying and advocacy of the microfinance sector.

The voice of the
MICRO-FINANCE industry
in LEBANON



ROUNDTABLE MEETING WITH THE LEBANESE CENTRAL BANK



For the first time in the line of coordination between the Banque Du Liban (BDL) and the MFI's, the LMFA has succeeded to hold a roundtable meeting with the BDL's legal section, the MFI's and the interested/concerned banks to discuss the BDL circulars 505 and 506, with the solid support of the financial inclusion section at the bank. The event was hosted by the Institute for Financial Governance (IFG) at ESA in Beirut on February 27th, 2019. Many clarifications were answered to and several questions have emerged from this roundtable, opening up the door towards an on-going collaboration between the BDL and the LMFA. This is a must to ensure the well-being of the microfinance industry with the support of the Lebanese Central Bank to reach a financially more inclusive sector.



LMFA'S NEW WEBSITE IS LAUNCHED AND THE SOCIAL MEDIA PLATFORMS ARE ACTIVATED.

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MICROINSURANCE STUDY CONDUCTED BY THE MICROINSURANCE CENTER AT MILLIMAN



What risks do you face? Which shocks cause you most financial hardship? How do you currently cope?

With the support of SANAD Technical Assistance Facility, managed by Finance in Motion, the LMFA is working with the Microinsurance Center at Milliman MIC@M, headed by its Principal and Managing Director Michael J. McCord to conduct a microinsurance demand study in Lebanon with an aim to assess the demand for microinsurance and develop preliminary ideas for product prototypes in Lebanon.

Conducting Focus Group Discussions (FGD) is one way to ensure that the valuable perspectives of low-income clients are incorporated into product design. A team of Lebanese researchers were provided a two-day training with MIC@M's Project Leader. The training consisted of an introduction to microinsurance, followed by a detailed discussion and practice implementing the different components of the FGD discussion guide developed by MIC@M.

The MFI's, members of the LMFA, supported the study and actively enrolled their beneficiaries to participate in the 24 focus group discussions held to achieve the set goals.

Between April 3rd and 25th 2019, twenty-four focus group discussions were conducted across Lebanon, including a total of 176 participants. The discussions went from general reasons for loan application, the risks faced, the worries, the seasonality, the economic situation risks and ways of coping with any risk or unplanned happening. Finally tackling their knowledge and experience with insurance.

A second round of FGDs will take place after the main findings' analysis.

Moreover, the consultant and the General Manager of the LMFA, Ilda Nahas, visited three insurance companies, held meetings with two brokerage companies, met the head of Insurance Control Commission for further knowledge about regulations and to be able to propose better products.

SMART CAMPAIGN INITIATIVE IN LEBANON



IFC has a regional initiative to support MFIs in the MENA region to obtain the Smart Certification- a certification that shows the financial institutions are doing everything in their power to treat their clients well and protect them from harm. As part of this initiative, the Director of the Smart Campaign, Ms. Isabelle Barres, visited the region and met with key players to understand the landscape and the issues that microfinance institutions in particular are facing along the certification process.

ON March 12th, 2019, a roundtable was organized with the SMART campaign Director, IFC representatives, some of the LMFA board members and other of their representatives, along with BDL's Head of Consumer Protection Section - Banking Control Commission (BCC) and the Financial Inclusion Section representative.

The laid out challenges faced by the microfinance institutions who have chosen to pursue the certification are mainly related to regulations and control. The head of the BCC is open to discussing the potential amendments to be proposed to the BDL in accordance with the SMART Campaign principles. IFC and the LMFA are exploring how the association can perform an initial mapping of the Smart Campaign's principles against the current regulations that microfinance companies are subjected to. Thus identifying the areas of misalignment so that we can focus our efforts better and will also help the Lebanese MFI's along their path to certification.

I4C: INNOVATION FOR CRISIS – UNDP'S REGIONAL LEARNING AND INNOVATION EVENT



On March 27, 2019, the LMFA's General Manager, Ilda Nahas, was invited to the UNDP's Regional Learning and Innovation Event, to share for 5-10 minutes, a success story and her perspective/ insights on how the LMFA has succeeded to highlight itself recently, attracting investments and implementing innovative solutions to scale up, use alternative methods of financing and working more effectively with scarce resources to attract investment/ funds and scale up.

After the panel, a workshop table, led by LMFA's GM, developed a list of "good and innovative practices/principles related to scaling up innovative solutions and alternative methods of financing". Then the group presented their work to the attendees followed by a Q&A.



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MEETING WITH USAID & LIFE



On April 18th, 2019 a breakfast gathering was held at the LMFA offices to bring together the key funder and founder stakeholders of the LMFA, Mrs. Rana Helou, USAID, LIFE's team lead by the COP Mr. David Holdridge and LMFA's board members (ADR, Emkan, Ibdac, Makhzoumi, Vitas) and LMFA's team.

The participants discussed the major *raison d'être* of the LMFA and its important role in the industry also stressing on the fact that this sector is a major contributor in the economy and assisting the target audience of microfinance is key. It was recognized that the LMFA is voicing its members' opinion on different levels like BDL, SMART Campaign and working on lobbying for additional overtures for the industry. LMFA's president, Dr. Youssef el Khalil, was very keen on stressing the rising importance of the LMFA in the eyes of the Central bank by acknowledging the sector's contribution to the unbanked and its economic impact, hence the circulars issued and BDL's willingness to enhance them through roundtable discussions.



BDL'S ARAB FINANCIAL INCLUSION DAY



The LMFA closely coordinated with BDL's Financial Inclusion Section on the agenda and panel to be held during the Arab Financial Inclusion day on April 23rd 2019. It is the first time that the microfinance industry has a significant presence in such a major event.

The LMFA's secretary and General Manager of Ibdac Microfinance, Mr. Bachar Kouwatly spoke on behalf of the Association, on the sustainability and development of the microfinance sector by adopting modern legislation and automated payment technology as well as supporting the micro and small enterprises as a way towards economic empowerment for low income and social groups excluded from financial services.

Our contribution went farther, Ilda Nahas contacted the Vice Governor of the Central Bank of Jordan who supported us by sending the head of Microfinance, Mrs. Maha Abdelat, to the conference to participate in a panel and share their experience in regulations and developmental support to the industry.



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ESCWA -REGIONAL INITIATIVE FOR PROMOTING SMALL – SCALE RENEWABLE ENERGY APPLICATIONS IN RURAL AREAS OF THE ARAB REGION (REGENE)".



On March 13th, Representatives from the BDL's renewable energy Fund, ministry of industry, ministry of agriculture, UN, René Mouawad Foundation, MoSA, Food and Agriculture Organization, academics and researchers attended this meeting. Its purpose is to collect data and information at the rural level of Lebanon, determine the role of the stakeholders in the task force teams and identify the opportunities, challenges and constraints for achieving social and economic equity and gender equality in the targeted areas of Lebanon. The microfinance industry contributes in the development of the rural areas and allows for future partake in a more inclusive economy.



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CGAP & KAFALAT & LMFA MEETING.



The LMFA hosted some members of the Council of Governors of the Consultative Group to Assist the Poor “CGAP”, KAFALAT’s president and all its board members in a meeting to explore potential opportunities that would help the MFIs expand and diversify their products and services for the unbanked. This visit allowed CGAP members to better understand how access to financial services is crucial to growth and job creation in vastly informal economies, and to see new frontiers in turning small informal enterprises into medium formal ones. Discussion around how regulations impact the sector’s development were held as well.

The Council of Governors focuses its interest on understanding how to reach the missing middle, opportunities and resilience. They were particularly interested in MSMEs and the “Financing and Guaranteeing” schemes, challenges, gaps, proposed solutions and their impact on economic growth. This rich and wide discussion provided the seed opportunity for a start on how to bridge the efforts of attending parties into a more impactful financial inclusion.

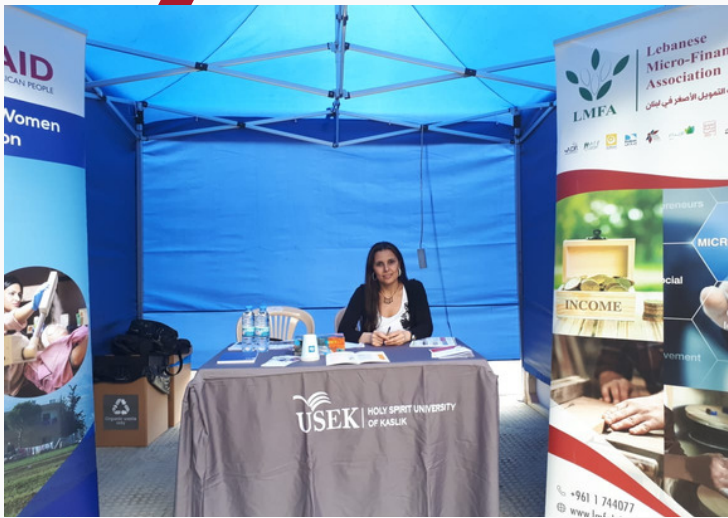


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JOB FAIRS



The LMFA participated in the AUB and USEK Job Fairs. The students were interested in knowing more about the sector and the MFIs. They asked about loans. And those who had experience with banks asked about specific loans and its related details. We promoted our association and the sector. By understanding our mission and the MFIs', a very positive feedback was noted and the youth were ready to participate in volunteering jobs and internship prospects. Many presented their CVs to look for a serious career opportunity in the sector.

On an additional note, this experience shed the light on the necessity to create a financial product oriented to students and to work into promoting financial literacy amongst the new generation.



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