

Press release

For immediate release

SANAD calls for substantial investment in agriculture and fintech in Middle East and North Africa

Impact fund co-sponsors largest microfinance event in the region; advocates intensified financing of smallholder farmers as integral to prosperity and food security

Amman, November 14, 2018 – From November 6-7, 2018, the SANAD Fund for MSME (SANAD) co-sponsored and contributed to the annual conference of Sanabel, the Microfinance Network of Arab Countries, in Amman, Jordan. At the Middle East and North Africa’s largest microfinance sector event, SANAD emphasized the importance of rural microfinance in supporting economies and food security, and the role of fintech in maximizing outreach and impact.

The event’s motto, “From Sustainable to Responsible Finance: Our Vision Forward,” closely reflected SANAD’s own belief in fair business practices in finance. The fund organized two panel sessions that dove into core themes of its mission: one on expanding responsible agricultural finance through technological innovations, the other on the potential of fintech to support financial inclusion. Both sessions enjoyed high attendance and engagement from the audience.



Participating in the panel on responsible agricultural finance, SANAD Chairwoman Dr. Daniela Beckmann laid out SANAD’s approach for helping the fund’s partner institutions reach out to rural low-income populations in a sustainable and responsible manner. Dr. Beckmann particularly highlighted the systemic relevance of agriculture for poverty reduction and food security in the region.

“By 2050, the global demand for food will increase by 70% and substantial investments will be needed to meet this demand,” said Dr. Beckmann. “SANAD is working hard to realize such investment: Since its inception in 2011, the fund’s partner institutions – that is, the financial intermediaries through which SANAD disburses its debt financing – have on-lent over USD 42 million in SANAD funding to end-borrowers for agricultural purposes alone.”

On the conference’s second day, Uwe Schober, Director at SANAD advisor Finance in Motion, shared the investor perspective into the potential of fintech to leverage existing microfinance operations in a cost-efficient and scalable way. “Financial technology is continuously changing clients’ interaction with financial service providers in ways that we could not have conceived of five years ago. The future of successful microfinance providers hinges on their ability to use new, disruptive technologies that are client-centric and cost-efficient, and thereby unlock new resources and capacities for innovation and expansion.”

The importance of blended finance, as well as of capacity building for financial inclusion, was apparent throughout the conference, with many participants emphasizing the long-term benefit of technical assistance for non-financial services like training or product development. Ali Abu Taleb, Director of the Yemen Microfinance Network, explained that SANAD’s Technical Assistance Facility “has been key to our network in offering continuous capacity building for our member MFIs and the Yemeni microfinance sector during times of crisis and instability.”

The 13th annual Sanabel conference convened nearly 400 participants from over 20 countries. For more information, visit: www.sanabelconf.org

About the SANAD Fund for MSME

Established in 2011, the SANAD Fund for MSME finances micro, small and medium enterprises and low-income households in the Middle East and North Africa via qualified local lenders. SANAD thereby fosters economic development and job creation – including youth employment – agriculture, affordable housing, and innovations in finance and financial technologies. SANAD strives to meet these goals by providing debt and equity financing to its local partners. The SANAD Technical Assistance Facility multiplies the fund’s development impact and outreach through capacity-building with partner institutions, developing financial infrastructures according to the principles of responsible finance and conducting much required R&D.

Press release

Page 2 of 3

SANAD's investors include the KfW Development Bank, which initiated the fund; the German Federal Ministry for Economic Cooperation and Development (BMZ); the European Union; Switzerland's State Secretariat for Economic Affairs (SECO); OeEB, the Development Bank of Austria; Germany's GLS Bank and GLS Treuhand; and the Dutch development bank FMO. A public-private partnership, the fund is advised by Finance in Motion GmbH, Frankfurt am Main, Germany. For more information, please visit: www.sanad.lu

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