

FINANCIAL SERVICES FACT SHEET

Recognizing that functioning financial markets are key to broad-based economic growth, Chemonics works with financial institutions to increase the availability and affordability of financial services for micro-, small- and medium-sized enterprises (MSMEs) and underserved populations. We help these institutions develop, improve, and expand the reach of a variety of financial services, including digital financial services, debt and equity financing, factoring, purchase-order financing, insurance, and savings products. In partnership with host-country government ministries, central banks, and regulators, we strengthen national finance infrastructures by developing policies, local capital markets, credit bureaus, and other key institutions.



Project Portfolio Highlights

Tunisia (JOBS). Since completing year 4, JOBS has facilitated \$102 million in financing to 9,290 enterprises, exceeding their target of 4,500 enterprises. They achieved these results by helping financial institutions introduce new digital solutions and improve their credit procedures to expand lending, while providing tailored microfinance support to enterprises. New digital financial services that JOBS helped develop, like virtual banking branches and an automated credit approval platform, enabled financial partners to expand lending to approximately 6,770 businesses. To respond to the COVID-19 crisis, JOBS introduced a new program with partner Baobab Tunisie to provide recovery assistance to 300 small businesses impacted by the COVID-19 pandemic. The program provided the MSMEs with a total of \$376,000 in JOBS grants, leveraging \$3.9 million in Baobab loans, and helping sustain or create 1,250 jobs. Tunisia JOBS also helped develop and launch JousourInvest, a digital private equity one-stop-shop marketplace for SMEs. The platform matches investors offering capital market services and funding to finance-seeking SMEs. So far, Jousourinvest has attracted more than 50 investors and 2,000 SMEs seeking equity funding. More than 400 SMEs submitted investment request through the platform resulting in 35 transactions valued at ~\$25 million. Jousourinvest is expected to be one of the largest partnerships - facilitation tools in Tunisia's financial sector.

Pakistan Investment Promotion Activity (IPA). The Pakistan Investment Promotion Activity (IPA) is funded by USAID to promote investment in Pakistan. The activity has four principal objectives: strengthening the business-enabling regulatory environment for investment promotion; reforming institutional policies including the ease of compliance and doing business in the country; improving U.S.-Pakistan bilateral trade and investment relations and mobilizing foreign direct investments into the country. The activity uses a problem-driven iterative adaptation approach to achieve these objectives by identifying problems with selected institutions and firms to discover root causes, adapting local solutions, applying iterative learning, and building capacity to solve problems. By creating business and investment opportunities, the project will increase

employment, economic growth, exports, and capital flow and will create a competitive market to improve stability in Pakistan.

Philippines Delivering Effective Government for Competitiveness and Inclusive Growth (DELIVER). To promote SME competitiveness, DELIVER works with the private sector to improve MSME access to finance. For example, through the MATCH platform, an electronic marketplace for digital startups to showcase their products, receive mentorship, and connect with SMEs looking to adopt digital solutions, DELIVER is connecting startups with banks, microfinance institutions, investors, and venture capitalists to help their businesses scale. To respond to the COVID-19 crisis, DELIVER mobilized used grants to launch the “Revive MFI-Ph” activity to provide a liquidity boost to four of the largest micro finance institutions in the country. As a result of the Revive MFI-Ph activity, more than 3,300 microfinance beneficiaries had funds to overcome financial challenges during COVID-19. To further support access to finance opportunities for partner MSMEs, DELIVER is connecting MSMEs directly with funds from the US International Development Finance Corporation (DFC). The DELIVER Project helped the MSMEs from pitch preparation, and online and offline communication with DFC, to the development of their information memos. DELIVER will continue to coordinate with DFC and provide support to the MSMEs if/when these firms are approved for loan/investment applications. To capture and share lessons learned, DELIVER will prepare a manual for USAID funded programs who want to link MSMEs with DFC funds and an Investment Readiness Capacity Building Program for MSMEs.

Visit Tunisia.

The USAID Visit Tunisia Activity invests in Tunisia’s tourism sector and capitalizes on the country’s natural, cultural, and historical endowments to develop a more diversified and high-quality tourism sector. Visit Tunisia, with partner CrossBoundary, is providing investment facilitation support, including technical assistance, transaction advisory support, and matchmaking between potential investors and tourism businesses. CrossBoundary will help to meet the project’s key result of mobilizing at least \$20 million of commercial credit and investment capital into Tunisia’s tourism sector.

Closed Projects

Colombia Rural Finance Initiative (RFI).

Period of Performance: 08/03/2015 – 06/2/2022

The USAID-funded RFI project, improved rural producers’ and Venezuelan migrants access to finance in Colombia, by working directly with 23 financial and non-financial intermediaries to remove barriers to finance in 197 Colombian municipalities. RFI linked 855,000+ clients (49.2% of them women) to more than \$1.145 billion in financial services, including more than 361,000 loans and 269,000 insurance policies, as well as the opening of more than 225,000 savings accounts. RFI leveraged \$29.9 million in private sector investment.

Philippines E-PESO.

Period of Performance: 03/18/2015 – 02/17/2021

Working with the government and private sector, E-PESO strengthened the electronic payment (e-payment) infrastructure of the Philippines to facilitate inclusive economic growth and efficiency, reduce corruption and create better opportunities for good governance. By the end of the project, e-payment usage in the Philippines increased from 1% to 10%, according to a report from the Better Than Cash Alliance (BTCA).

In 2015, the Philippine government launched the National Retail Payment System, a policy and regulatory framework to establish a safe, efficient, reliable and affordable retail payment system

in the country. To capitalize on the new system, EPESO help launch InstaPay and PESONet, two new automated clearing houses that allow electronic fund transfers among participating banks, e-money issuers and mobile money operators in the Philippines. E-PESO also provided technical assistance to government agencies, including the Bureau of Internal Revenue (BIR), the Department of Budget and Management (DBM), the Home Development Mutual Fund, and the Department of Social Welfare and Development to digitize their public payment systems and educate recipients on e-payments. For example, E-PESO worked with the Bureau of Internal Revenue (BIR) to expand its digital payment channels and to promote to the taxpaying public digital payments as safe, secure, and convenient way to pay taxes. E-PESO's assistance to BIR resulted in significant growths in tax collection through digital channels, peaking in 2019 with 84% of total revenue collection happening digitally. To respond to COVID-19, E-PESO convened the public and private sector to develop a digital application, ReliefAgad, that allowed 4.3 million beneficiaries to digitally register and receive \$1.6 billion in COVID-19 cash subsidies distributed by the government. The app also linked the subsidy distributions to a mobile wallet, resulting in 9.1 million new transaction accounts opened and helping financially include the unbanked population in the Philippines.

Asia and Middle East Economic Growth Best Practices (AMEG).

Period of Performance: 09/24/2012 – 09/30/2017

AMEG was designed to consolidate best practices and lessons learned from USAID implementation experience and to pilot innovative approaches that enable broad-based economic growth across Asia and the Middle East. AMEG contributed to USAID's knowledge base of economic growth programming in Asia and the Middle East through 52 assessments spanning 20 different technical sectors, including workforce development, public financial management, and access to finance, trade, investment, and mobile money in 22 countries. In 2013, Yemen boasted more than 8 million mobile phone subscribers, yet Yemeni banks held less than 1 million bank accounts. AMEG helped the government of Yemen to harness the potential of mobile and branchless banking services by providing legal expertise and support in drafting implementing guidelines for the Payment Systems and Electronic Financial and Banking Transactions Law to enable prudential, inclusive expansion of e-money services in Yemen. One of Yemen's largest microfinance banks had launched a mobile e-money platform in 2016 and two more banks planned to start offering e-money services in 2017. And while the e-money infrastructure is still in a nascent state in Yemen, AMEG proposed steps that the Central Bank can take to ultimately enable e-money adoption and usage in the medium to long-term, including support to improve the policy and regulatory environment to enable more robust and extensive agent networks. AMEG also outlined potential options for USAID or other donors to support the expansion of e-money services for humanitarian payments, including remote training of bank staff and agents in e-money promotion and adoption.

Financial Access for Investing in the Development of Afghanistan (FAIDA).

Period of Performance: 02/07/2011 – 02/05/2017

FAIDA built a sustainable, diverse, and inclusive financial sector to better meet the needs of MSMEs in Afghanistan. The project helped Afghan financial sector partners deliver services more effectively and assisted the government in developing a legal framework and market infrastructure that provides better growth and employment opportunities for all Afghans. FAIDA mobilized more than \$59 million in private financing and benefited nearly 139,000 families; developed hundreds of targeted training sessions and certification programs that increased the capacity of more than 2,500 financial sector employees; supported nearly 16,000 businesses with business planning services, training, and financial planning projections; and built the country's infrastructure for mobile money use, facilitating the participation of more than 2,000 merchants and 100,000 individual users in electronic payment systems. Ultimately, more than 104,000 individuals began new or better employment opportunities as a result of participation in FAIDA workforce development programs.

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