

# 3rd AFRICAN MICROFINANCE CONFERENCE

New Options for Rural and Urban Africa  
Kampala, Uganda  
20 - 23 August 2007



## Highlights from Day 1

Theme:

New options for RURAL and urban Africa

How do you define rural?

Did we define this term?

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## 1. Interest rates and affordability

- Use of technology to reduce costs
- Measure your own and your clients cost to have better control

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## 2. Extending outreach - Challenge of the large unmet demand - especially for rural areas

- Need to understand it by segmentation
- Downscaling/Up scaling
- New partnerships/Linkages needed, retailers telecoms
- Simple products
- All inclusive financial sector; Agriculture/VSLA
- Need for non financial interventions

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## 3. Understanding markets and designing appropriating products

- Market Segmentation that helps understand segments' (potential clients) perceptions
  - e.g. insurance
  - get to know its attributes and characteristics even where this is (R or U)
  - Can these afford access e.g women?
  - Find out underlying barriers to access

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## Understanding markets (cont.)

- Develop and offer new product - after research information like the FinScope, use it for further market surveys to find what you need to know (MicroSave)
- Linkages to others development elements essential as finance alone is not enough e.g. extension services

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## 4. Technology and driving costs down

Consider new players - or

Are they old players

- Shops
- Friends and relatives

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## 5. Role of government

The question of "lawyer has never been creative and/or innovative"

- Do not rash to regulate (over regulate)
- Infrastructure development as public goods

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## 6. Consumer education

- Transparency and protection
- Debt enslaving,
- Are the FI and the consumers objectives complementary - short and long terms
- Contract obligations

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## 7. Climate Change - New challenges

- Improve ability to adjust strategies
- Finance for renewable energy sources
- Simplify strategies
- Planting trees for wood
- Adapt to new livelihood patterns/creating new opportunities
- Weather indexed insurance

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## 8. Competitive environment

- Evolves new business models
- Be aware of those market constraints

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## 9. How important is rural finance to FIs? Should it be important?

- Majority of the and low income groups and the un reached in in Africa live in rural areas?
- Are most women heading hhs?

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## ASANTE