Press release
April 29, 2020

Leading microfinance and impact fund managers have signed a MoU on debt refinancing coordination principles to support the sector during the COVID-19 pandemic.

BlueOrchard, Developing World Markets, Incofin, Microvest, Oikocredit, responsAbility, Triodos IM, Triple Jump and Symbiotics have signed a Memorandum of Understanding (MoU) for coordination in response to COVID-19. Together, these nine investment originators and fund managers in impact investing have about USD 15 billion of assets under management, invested in more than 80 emerging and frontier markets across Africa, Asia, Eastern Europe, Middle East, Caucasus, Central Asia and Latin America.

Measures taken locally to reduce the spread and impact of COVID-19 can affect clients, operations and liquidity of Microfinance and SME finance institutions. The MoU aims to coordinate efforts in the provision of ongoing refinancing in a responsible manner, thereby enabling these institutions to adequately respond to temporary changes in business conditions.

The MoU notably emphasizes: *"Microentrepreneurs and SMEs will form a vital basis for social and economic recovery. Supporting Financial Inclusion and preservation of the strong foundations that have been built over recent years is therefore of vital importance. This calls for enhanced cooperation within our sector. We have learned from previous experience that through transparency and close cooperation we can best help our partners and our own organizations through challenging times. The purpose of this document is therefore to guide our organizations, our investment teams, our clients, other finance providers and other relevant stakeholders."*

The MoU is not legally binding but forms a strong basis for coordination over the coming months, with pragmatism, transparency and tolerance as key principles. The MoU also serves as a basis for dialogue with other stakeholders such as multilateral and development finance banks and policy makers.

The signatories welcome additional impact fund managers to join the initiative in the coming weeks, as many have expressed interest.

Strong alignment among market protagonists is the best possible way to safeguard the interests of impact investing, and ultimately the social impact and benefits that the sector offers to low income households and small businesses in low- and medium-income economies.

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Developing World Markets
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Triodos Investment Management
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symbiotics

Please refer to the website of each signatory for further information.