



FINANCIAL INCLUSION EQUITY COUNCIL

Leading Financial Inclusion Equity Investors Response to COVID-19

The [Financial Inclusion Equity Council \(FIEC\)](#) has, for over a decade, brought together leading managers of equity investments in microfinance and financial inclusion in developing countries. Our members have made equity investments of over \$5 billion in institutions focused on under-served or un-served clients with the goal of improving livelihoods and opportunity.

Microfinance institutions (MFIs) and the clients they serve are currently facing severe economic challenges as a result of COVID-19. Many clients face uncertain incomes in the best of times and perhaps now more than ever, will need to rely on the vital role MFIs play in providing reliable access to savings, emergency loans and grants, health information and loans to restart businesses as lockdowns are lifted.

To ensure they can continue meeting their clients' needs, MFIs will need the full support of the investor community and FIEC members stand ready to continue their support of this critical industry. Debt investors have begun to come together to [coordinate their responses](#) to COVID-19, particularly focused on near-term issues of liquidity and repayments. FIEC members support these timely efforts to address the immediate challenges. Meanwhile, FIEC members are [preparing for the recapitalization](#) of MFIs that may face significant erosion of equity as they preserve their capacity to support their clients.

FIEC members commit to working with the entire investor community to achieve maximum cooperation among stakeholders and conserve resources. We will engage with the community to draw on previous experience to anticipate and resolve hurdles before they can impede a timely resolution. Further, FIEC members are committed to making financial instruments and structures available to help optimize financial outcomes while accommodating the diverse circumstances of creditors, shareholders, and other funders. Most importantly, we pledge to preserve our focus on social impact and commitment to patient capital.

The COVID-19 crisis presents an unprecedented challenge to the financial inclusion sector and the clients it serves. FIEC members resolve to work constructively and collaboratively with all members of the inclusive finance ecosystem to ensure the future viability and vitality of this critically important industry.