



## Winner of the 3<sup>rd</sup> European Microfinance Award - Harbu Microfinance Institution, Ethiopia

**Convinced that microfinance is an important tool for poverty alleviation, the Ministry of Foreign Affairs – Development Cooperation Directorate, announced the creation of the European Microfinance Award in 2005 in order to highlight and stimulate breakthroughs in the field of microfinance.**

The 3<sup>rd</sup> European Microfinance Award on “value chain finance” focuses on stimulating and promoting inclusive financial schemes that contribute to the evolution of value chains in developing countries. The idea is to support project development from the initial inputs through to the commercial outputs, enhancing the livelihoods of people at all levels of the value chain.

The award involved a rigorous three phase selection process: in the first phase a Selection Committee from the [European Microfinance Platform](#) produced a short list of ten candidates. From this list, three Award finalists were selected by the Luxembourg Round Table on Microfinance.

The winner was then chosen on the 30<sup>th</sup> November by a High Jury and was unveiled as Harbu Microfinance Institution, Ethiopia in a ceremony hosted by the [European Investment Bank](#). Her Royal Highness the Grand Duchess of Luxembourg, known for her staunch support to microfinance, presented the award and the 100,000 euro prize. Mr. Philippe Maystadt, President of the EIB, described the Bank’s ongoing commitment and activities in this area. In a video address, the European Development Commissioner Mr. Andris Piebalgs noted that “*value chain finance* is a powerful illustration of the role of multiple stakeholders achieving a lasting impact on socio-economic development at a local level”

Harbu’s initiative for the 3<sup>rd</sup> European Microfinance Award, involves financing the soybean value chain as a response to market demand generated by a shortage of cow milk in Jimma city, zone of Oromia regional state. The initiative started with 240 farmers and it was built on the basis of strengthening horizontal linkages between farmer marketing organisations and vertical linkages with retailers and women’s associations in charge of processing and producing soya milk. Through their project, Harbu have created market opportunities for producer farmers and employment opportunities for urban women and youth. Simultaneously, it contributed to the improvement in the nutritional constituents of families, especially children and women.

Harbu Microfinance Institution provides financial services for most of the actors across the chain starting from the individual producers to retailers. For example, it provides seed capital and lease financing for the purchase of soymilk machines. Overall, some 5000 farmers and a women’s association with 210 members are able to make their living from Harbu financed projects. “*We intend to use the prize money to further upscale our project activities and reach out to more smallholders and poor women so that they can lead a better life*”  
Tesfaye Befikadu, General Manager

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