The performance of Islamic microfinance in Mauritania: an empirical analysis of the PROCAPEC case (2019–2023)

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Abstract: *Islamic microfinance has progressively emerged in Mauritania as an ethical alternative to conventional financing, particularly for populations excluded from the formal banking system on religious or socio-economic grounds. This article empirically assesses the financial and social performance of PROCAPEC, the country's pioneering mutualist Islamic microfinance institution. Drawing on a longitudinal study (2019–2023) of three representative savings and credit cooperatives (CAPECs) — Arafatt Centre, Nouadhibou Nord, and Néma — combined with an institutional analysis of the whole network, we adopt a qualitative, descriptive approach based on semi-structured interviews, document analysis, and quantitative performance indicators. Findings confirm growing social outreach (membership multiplied 5.7-fold between 2007 and 2023), sustained savings mobilisation (MRU 947.9 million at end-2023), and a resilient credit portfolio. Full Shariah compliance, based predominantly on Murabaha contracts, strengthens institutional legitimacy. However, digital lag, weak diversification of participatory contracts, and persistent urban–rural asymmetry constrain financial inclusion, calling for technological innovation, Shariah-compliant financial engineering, and the integration of Islamic social finance instruments.*

Keywords: Islamic microfinance; performance; financial inclusion; PROCAPEC; Mauritania; Murabaha

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Introduction

Since Muhammad Yunus's pioneering Grameen Bank experiment in Bangladesh in the 1970s, microfinance has progressively established itself as a favoured instrument for poverty reduction and the financial inclusion of vulnerable populations (Yunus, 2007; Armendáriz and Morduch, 2010). By offering proximity financial services — credit, savings, micro-insurance — to households excluded from the formal banking system, microfinance institutions (MFIs) have become an essential component of socio-economic development strategies across the global South. According to the FinDev Gateway (2024), the sector now serves more than 140 million beneficiaries worldwide, a growing share of whom live in religiously marked contexts.

Nevertheless, the so-called conventional microfinance model, based on interest (riba), has faced a form of structural disaffection in Muslim-majority countries. Surveys by CGAP (2022) and the IFSB (2019) estimate that nearly 72 per cent of financially excluded Muslim adults would prefer products compliant with Shariah precepts. This latent demand has fostered the emergence, from the mid-2000s onwards, of an Islamic microfinance mobilising specific contracts — Murabaha, Mudaraba, Musharaka, Ijara, Salam, Qard al-Hassan — which prohibit interest and substitute profit-and-loss sharing, backing by tangible assets, and the prohibition of excessive uncertainty for remunerated lending (Obaidullah, 2008; El-Zoghbi and Tarazi, 2013; Maouloud et al., 2021b).

In Mauritania, an Islamic republic of roughly 4.9 million inhabitants, this paradigm carries particular resonance. The country is characterised by a still-low rate of financial inclusion — estimated at 21 per cent by the World Bank (2022) — and by a Sunni Muslim religious homogeneity that makes Shariah compliance not merely desirable but socially structuring. In this context, the Agence de Promotion des Caisses Populaires d'Épargne et de Crédit (PROCAPEC), created in 1997 by instruction of the Governor of the Central Bank of Mauritania (BCM), constitutes the most accomplished experience of mutualist microfinance at national scale. Since 2008, its entire credit offering has been converted to Islamic principles, making the PROCAPEC–CAPEC network the country's principal vehicle for Shariah-compliant microfinance (Maouloud and Othman, 2021).

The central research question of this article can therefore be formulated as follows: to what extent does the Islamic microfinance implemented by PROCAPEC succeed in reconciling financial viability, social performance, and Shariah compliance, and in effectively meeting the expectations of vulnerable Mauritanian populations in terms of financing, social inclusion, and support for economic development?

To answer this question, the article is organised in five sections. The next section offers a literature review articulating the theoretical foundations of Islamic microfinance and the multidimensional assessment of its performance. The methodology section then sets out the empirical research design. The results section presents and discusses the findings through seven operational hypotheses. A discussion section formulates strategic recommendations, and the conclusion synthesises the study's contributions and limitations.

Theoretical framework and literature review

Islamic microfinance: foundations and instruments

Islamic microfinance is distinguished from its conventional counterpart by five fundamental principles derived from the Islamic law of transactions (fiqh al-muamalat): the prohibition of interest (riba), profit-and-loss sharing, the prohibition of excessive uncertainty (gharar), the mandatory backing of transactions by a real underlying asset, and the exclusion of illicit (haram) activities such as alcohol, gambling, or armaments (Iqbal and Mirakhor, 2011; Causse-Broquet, 2018). These principles structure an original contractual engineering whose main instruments are summarised in Table 1.

The Murabaha contract — a sale at an agreed profit margin — remains, according to the IFSB (2019) and Karim et al. (2018), the dominant instrument of global Islamic microfinance (over 70 per cent of outstanding financing), followed by Mudaraba (fiduciary management with profit sharing) and Musharaka (equity participation). Qard al-Hassan, a loan without financial counterpart, occupies a distinct place owing to its charitable nature. Ijara resembles a compliant lease-financing arrangement, Salam an advance payment against deferred delivery (useful in agricultural settings), and Istisna'a a manufacturing contract. Finally, Takaful establishes insurance mutualisation free of riba and gharar (Obaidullah and Khan, 2008).

Table 1 *Main contracts of Islamic microfinance*

Contract	Economic nature	Operational use
Murabaha	Sale at a profit margin	Financing of assets and working capital; fixed, transparent margin
Mudaraba	Fiduciary partnership	Capital provided by the MFI, managed by the entrepreneur; profits shared according to an agreed ratio
Musharaka	Joint venture	Joint capital contribution; profits and losses shared pro rata
Ijara	Compliant leasing	Asset made available against rent; risk retained by the MFI
Salam	Deferred-delivery sale	Agricultural finance: advance payment against later delivery of the harvest
Istisna'a	Manufacturing contract	Financing of manufactured goods or construction; staged payments
Qard al-Hassan	Benevolent loan	Loan without interest or margin; charitable and social purpose

Source: authors, based on Obaidullah (2008), El-Zoghbi and Tarazi (2013), and IFSB (2019).

Performance in microfinance: a multidimensional reading

The assessment of MFI performance has undergone a marked conceptual evolution. Initially centred on financial viability (Yaron, 1992; Rosenberg, 1996), it has broadened — under the impetus of the work of CERISE, the SEEP Network, and the Social Performance Task Force — into a multidimensional approach articulating financial performance, social performance, and, for Islamic microfinance, Shariah compliance (Lapenu and Doligez, 2007; Copestake, 2007; Hamed, 2017).

On the financial side, the canonical indicators include portfolio quality (PAR30, write-off ratio), profitability (ROA, ROE, net margin), operational efficiency (cost per borrower, staff productivity), financial structure (debt-to-equity ratio, capital adequacy), and operational and financial self-sufficiency (OSS, FSS) (Christen et al., 2004; CGAP, 2022). A PAR30 below 5 per cent and an OSS above 100 per cent are commonly retained as thresholds of sound financial health (MIX Market, 2019).

On the social side, indicators cover outreach (number of active clients; depth of outreach measured by average loan size relative to GDP per capita), client composition (share of women, of rural clients, of clients below the poverty line), service quality (retention, satisfaction, diversity), client protection (price transparency, over-indebtedness prevention), and impact (changes in income, education, and health) (Mersland and Strøm, 2010; Bharti and Malik, 2022).

On the Shariah side, assessment focuses on the existence and effectiveness of a Shariah Supervisory Board, the transparency of profit-and-loss sharing mechanisms, the absence of gharar in contracts, and the orientation of financing towards halal activities (AAOIFI, 2017; Aliyu et al., 2017).

The Mauritanian institutional framework for microfinance

The Mauritanian microfinance sector has experienced a progressive structuring process since the late 1980s. The first initiatives emerged in the context of the return of repatriates from Senegal (ACMPE, IDM), before giving way, from 1997, to a coherent institutional framework steered by the BCM. The first savings and credit cooperative (Caisse Populaire d'Épargne et de Crédit, CAPEC) was created that year, followed in 1998 by a specific legal framework for savings and credit cooperatives and mutuals, and in 1999 by dedicated prudential standards.

In 2003, the government adopted a National Microfinance Strategy built around three pillars: adaptation of the legal and regulatory framework, extension of territorial coverage, and establishment of a stakeholder consultation framework. The 2007 reform clarified the legal texts, strengthened transparency requirements, and opened the sector to new legal forms (public limited companies, non-governmental organisations), ending the monopoly of cooperative structures. At end-2023, the sector comprised several dozen institutions licensed by the BCM, among which PROCAPEC remains the dominant operator in terms of social outreach (BCM, 2024; APROMI, 2023).

Comparative performance of Islamic microfinance: state of the art

Several comparative studies have sought to establish whether Islamic microfinance outperforms — or underperforms — its conventional counterpart. Berguiga et al. (2020) show, on a sample of MENA countries, that Islamic MFIs display superior social outreach (a higher proportion of poor clients and women beneficiaries) but slightly lower profitability, without the difference being systematically significant. Wulandari and Kassim (2016) and Hossain and Abdullah (2019), in Indonesia and Bangladesh respectively, reach similar conclusions. Asif Nadeem et al. (2024), in Pakistan, confirm the social advantage but underline the excessive reliance on debt-based contracts (Murabaha) to the detriment of participatory instruments.

In the Mauritanian context, the work of Maouloud et al. (2021a, 2021b) constitutes a pioneering reference. Drawing on a sample of 381 beneficiaries of PROCAPEC-Nouakchott, these authors establish, through structural equation modelling, a significant positive effect of the use of Islamic microfinance products on micro-entrepreneurs' income, without a moderating effect of gender. By contrast, the effect on children's education and access to healthcare remains non-significant, which invites reflection on broadening the range of services (education savings, health micro-takaful). More recently, Sghair M'bareck Said and Moulaye Ismail (2026) have documented a 'massification paradox' within the CAPEC network itself, showing that a greater availability of microcredit does not mechanically translate into entrepreneurial value creation and may, beyond a certain threshold, dilute the productive quality of financed projects.

This body of work nonetheless leaves three essential dimensions under-explored: (i) the longitudinal performance of the network at the level of local cooperatives; (ii) territorial coverage set against Mauritania's urban–rural disparities; and (iii) the bottleneck constituted by the under-digitalisation of services. This article is positioned within this still sparsely charted research area.

Methodology

Methodological choice and research design

This study adopts a qualitative, descriptive case-study approach (Yin, 2018), well suited to grasping in depth the actual functioning of an institution and to confronting theoretical insights with practice. The choice of PROCAPEC is explained by three considerations: (1) its status as the pioneering mutualist institution licensed by the BCM; (2) its full conversion to Islamic principles since 2008; and (3) its extensive territorial coverage (56 CAPECs, 7 sub-branches, and 281,783 members at end-2023), which makes it the most representative field for Mauritanian Islamic microfinance.

Data sources and collection tools

The data mobilised come from three complementary sources: (i) semi-structured interviews conducted with PROCAPEC operational managers and a purposive sample of beneficiaries of Islamic microfinance products; (ii) the institution's internal annual reports, cooperative-level aggregated statistics, and strategic documents; and (iii) previous academic work on Mauritanian microfinance and the specialised international literature.

The longitudinal analysis sample covers three CAPECs selected according to a criterion of geographical and socio-economic diversification: Arafatt Centre (Nouakchott, dense urban), Nouadhibou Nord (economic capital, port city), and Néma (Hodh Echarghi, landlocked rural). Three key variables are tracked over five financial years (2019–2023): the number of members, the outstanding credit portfolio, and the volume of savings mobilised. This is complemented by an aggregated institutional reading over the 2007–2023 period, in order to capture the network's long-term trajectory.

Indicators and research hypotheses

Consistent with the multidimensional framework outlined above, seven operational hypotheses structure the analysis:

H1 — Social outreach: Islamic microfinance has increased the number of beneficiaries served each year.

H2 — Financing volume: financing volumes remain significant and resilient over time.

H3 — Savings: participation in the programmes fosters durable savings behaviour.

H4 — Geographical coverage: the territorial network reduces financial exclusion.

H5 — Shariah compliance: compliance strengthens institutional credibility and beneficiary adherence.

H6 — Innovation and digitalisation: the digitalisation of services facilitates financial inclusion.

H7 — Sustainability: adherence to Shariah principles and rigorous management guarantee durability.

The annual growth rate is computed using the standard formula $g = [(X_n - X_{n-1})/X_{n-1}] \times 100$. The average deposit per member is obtained by dividing the cumulative volume of deposits by the membership over the period considered.

Results and discussion

Social outreach (H1)

The longitudinal analysis of membership in the three CAPECs studied (Table 2) reveals a dynamic of broadening of the membership base between 2019 and 2023, confirming the growing outreach of Mauritanian Islamic microfinance.

Table 2 *Membership by CAPEC, 2019–2023*

CAPEC	2019	2020	2021	2022	2023
Arafatt Centre	20,006	21,220	22,716	23,994	24,511
Nouadhibou Nord	17,863	19,155	20,614	21,557	22,115
Néma	3,108	3,250	3,473	3,794	3,724

Source: PROCAPEC internal reports; authors' calculations.

Over five financial years, the Arafatt Centre CAPEC records a cumulative increase of 22.5 per cent and Nouadhibou Nord one of 23.8 per cent, while Néma shows a more modest growth of 19.8 per cent, marked by a slight decline in 2023 (−1.8 per cent). Annual growth rates — with peaks of between 4.6 per cent and 9.3 per cent — testify to a controlled and sustained expansion dynamic, consistent with the trajectories observed in West African mutualist networks (BCEAO, 2024).

At the aggregate level of the PROCAPEC network, the membership base rose from 53,795 in 2007 to 305,778 in 2023, a 5.7-fold multiplication over sixteen years, with an average annual progression of some 15,000 to 20,000 new members. This dynamism contradicts the market-saturation hypothesis and corroborates the conclusions of Maouloud et al. (2021b) on the latent demand for Shariah-compliant products in Mauritania. Hypothesis H1 is therefore validated. This expansion should nevertheless be read in the light of the massification paradox documented by Sghair M'bareck Said and Moulaye Ismail (2026): the quantitative broadening of access must be accompanied by close attention to the productive quality of financed projects if outreach is to translate into genuine entrepreneurial value creation.

Financing volume (H2)

The assessment of the credit portfolio (Table 3) highlights a substantial — though territorially differentiated — financing capacity.

Table 3 *Outstanding credit portfolio by CAPEC, 2019–2023 (MRU)*

CAPEC	2019	2020	2021	2022	2023
Arafatt Centre	18,599,479	17,569,181	23,589,220	23,579,546	25,915,428
Nouadhibou Nord	40,657,321	38,596,446	38,220,573	43,872,101	38,108,903
Néma	1,773,194	1,307,360	1,077,402	1,198,018	1,713,795

Source: PROCAPEC internal reports; authors' calculations. MRU: Mauritanian ouguiya.

The analysis of annual growth rates reveals contained volatility. Arafatt Centre records a marked recovery in 2021 (+34.3 per cent) after a decline in 2020 (−5.5 per cent), followed by stabilisation and moderate growth in 2023 (+9.9 per cent). Nouadhibou Nord displays an oscillating trajectory (between −13.1 per cent and +14.8 per cent) but retains the highest volumes (MRU 38–44 million annually), confirming its role as a structuring economic hub. Néma shows the widest amplitude: after two years of severe contraction (−26.3 per cent in 2020, −17.6 per cent in 2021), the cooperative rebounds strongly (+43.1 per cent in 2023), suggesting a notable post-Covid resilience among rural micro-entrepreneurs.

These annual fluctuations reflect the adjustments made by the institutions in the face of exogenous economic pressures — notably the Covid-19 pandemic, terms-of-trade shocks, and the tightening of the BCM's monetary policy (IMF, 2024). Nevertheless, the maintenance of globally high volumes over the whole period validates hypothesis H2: financing volumes remain significant and resilient, attesting to an institutional capacity to respond durably to clients' needs.

Savings mobilisation (H3)

In Islamic mutualist models, savings constitute both an indicator of institutional trust and a stable refinancing resource (Karim et al., 2018). Table 4 traces the dynamics of deposits collected.

Table 4 *Savings deposits by CAPEC, 2019–2023 (MRU)*

CAPEC	2019	2020	2021	2022	2023
Arafatt Centre	67,735,449	78,882,983	105,060,107	111,799,368	96,850,519
Nouadhibou Nord	64,091,544	67,198,740	96,602,564	67,390,103	77,211,082
Néma	2,270,167	2,516,542	2,888,114	3,786,724	3,774,580

Source: PROCAPEC internal reports; authors' calculations.

Three lessons emerge. First, Arafatt Centre experiences sustained growth up to 2022 (+65 per cent cumulatively since 2019), before a downward adjustment in 2023 that does not call the structural level into question. Second, Nouadhibou Nord displays an irregular trajectory, marked by a peak in 2021 (+43.8 per cent), a decline in 2022 (−30.2 per cent), and a recovery in 2023 (+14.6 per cent), reflecting the sensitivity of the port economy to economic cycles. Third, Néma shows the most regular dynamic (+66 per cent cumulatively), attesting to a progressive and durable appropriation of the savings culture in rural areas.

The analysis of the average deposit per member — computed on cumulative volumes relative to membership — reveals an expected hierarchy: MRU 4,094 at Arafatt Centre, MRU 3,677 at Nouadhibou Nord, and MRU 878 at Néma. This gradation reflects disposable-income gaps between Nouakchott, the mining-and-port hub, and the Hodh Echarghi, but it does not obscure the existence of effective savings in all areas. At the aggregate network level, outstanding savings reached MRU 947.9 million at end-2023 — a considerable level of mobilisation for a mutualist institution. Hypothesis H3 is validated.

Geographical coverage and social impact (H4)

The territorial mesh of the PROCAPEC network constitutes a major determinant of its social impact. With 56 CAPECs and 7 sub-branches established across all Mauritanian wilayas (regions), the institution achieves an unequalled institutional coverage rate in the country. Table 5 summarises the regional distribution.

Table 5 *Geographical distribution of the PROCAPEC network*

Wilaya	Number of CAPECs	Number of sub-branches
Nouakchott	20	2
Dakhlet Nouadhibou	4	1
Brakna	8	0

Wilaya	**Number of CAPECs**	**Number of sub-branches**
Trarza	5	1
Assaba	4	0
Hodh Echarghi	3	1
Hodh El Gharbi	2	0
Gorgol	2	0
Tagant	2	1
Guidimakha	2	0
Tiris Zemmour	2	0
Adrar	1	1
Inchiri	1	0
Total	56	7

Source: PROCAPEC (2023); authors' processing.

While Nouakchott concentrates a substantial share of the network (35.7 per cent of CAPECs), reflecting its demographic and economic weight, the presence in predominantly rural wilayas — Brakna (8 CAPECs), Trarza (5), Assaba (4) — attests to a deliberate strategy of financial de-isolation. The opening of sub-branches in secondary localities (Bassiknou, Ouad Naga, Nbeika, Aoujeft) extends territorial penetration to the areas most remote from urban centres. This territorial footprint makes PROCAPEC the microfinance operator with the widest national coverage, ahead of Bank Al-Ibdaa and other more recent operators (APROMI, 2023).

This institutional density translates into a measurable financial-inclusion effect: according to BCM data (2023), PROCAPEC accounts for 41 per cent of the national aggregate of active microfinance members. Hypothesis H4 is validated, subject to the reservation of a persistent urban–rural asymmetry that calls for complementary arrangements.

Compliance with Islamic principles (H5)

Since 2008, all credit granted by the CAPECs has complied with Shariah principles, with the Murabaha contract predominating. This conversion was supervised by an advisory Shariah committee bringing together Mauritanian ulema and an Islamic finance expert (PROCAPEC, 2022). The prohibition of interest, backing by a tangible asset, transparency of the profit margin, and exclusion of haram activities structure the entire offering.

This compliance produces two major institutional effects. On the one hand, it strengthens the social legitimacy of the institution in a context in which religious compliance strongly shapes households' financial choices (Maouloud et al., 2021a). On the other hand, it increases beneficiaries' trust, as evidenced by the high recovery rate historically reported by the institution (97 per cent on average over 2007–2023, according to its internal reports), a level consistent with the international standards of Islamic MFIs (Wulandari and Kassim, 2016).

However, this Shariah performance remains constrained by the preponderance of debt-based contracts to the detriment of participatory instruments. The near-absence of Mudaraba and Musharaka in the portfolio — an observation also made by Asif Nadeem et al. (2024) in Pakistan and by Berguiga et al. (2020) in the MENA region — limits the transformative reach of the model. Hypothesis H5 is validated, subject to this structural limitation.

Innovation and digitalisation (H6)

The PROCAPEC network currently distributes its Islamic financial services mainly through physical branches. Unlike emerging Islamic fintechs and certain local banks (Bank Al-Ibdaa, Banque Al-Wava), it has neither a full mobile application allowing the subscription and monitoring of financing, nor an online repayment platform, nor a real-time account-consultation portal.

This under-digitalisation produces several negative consequences, identified in the interviews: (i) limited access to services for young adults and populations distant from branches; (ii) a loss of competitiveness vis-à-vis digitalised Islamic institutions and mobile-money operators (Sedad, Bankily, Masrvi); and (iii) slower, more costly processes for both the client and the institution. Recent literature confirms the amplifying effect of fintech solutions on Islamic financial inclusion (Rahman et al., 2023; AFI, 2024).

In the absence of effective digitalisation, hypothesis H6 is not confirmed as matters stand. It nonetheless constitutes an imperative strategic trajectory, developed in the recommendations below.

Sustainability and durability (H7)

The assessment of institutional sustainability rests on a joint reading of the long-term trajectory (2007–2023) and the structural indicators at 31 December 2023 (Table 6).

Table 6 *Structural indicators of the PROCAPEC network at 31 December 2023*

Indicator	Value
Number of outlets (CAPECs + sub-branches)	56 CAPECs + 7 sub-branches
Number of members	281,783
Outstanding savings (MRU)	947,937,893
Outstanding credit (MRU)	282,554,848
Number of employees	211
Shariah compliance	100 per cent since 2008
Members, 2007 vs 2023	53,795 → 305,778 (× 5.7)

Source: PROCAPEC (2023); authors' processing.

Three findings validate the sustainability trajectory. First, the uninterrupted growth of the membership base over sixteen years, without any significant decline, signals organisational stability and durable attractiveness. Second, the intermediation ratio (outstanding credit relative to savings mobilised), of around 30 per cent, testifies to a prudent transformation policy: the institution retains a substantial liquidity buffer, in line with the prudential standards issued by the BCM (2024) and with Islamic financial-stability principles (IFSB, 2019). Third, the staffing structure (211 employees for 281,783 members, a ratio of one employee per 1,336 clients) signals productivity comparable to well-performing MFIs in the CEMAC and WAEMU zones (BCEAO, 2024).

Hypothesis H7 is validated: the combination of an extensive territorial mesh, an expanding membership base, sustained financial mobilisation, and a structured human organisation underpins the durability of the model. The main vulnerability lies in the dependence on a single dominant product (Murabaha) and in the digital lag noted above.

Summary of results

Table 7 summarises the empirical verdict for each of the seven hypotheses, drawing on the indicators constructed in the preceding sections.

***Table** 7 Summary of hypothesis validation*

H	Statement	Verdict
H1	Growth in the number of beneficiaries	Validated
H2	Resilience of financing volumes	Validated
H3	Durable savings mobilisation	Validated
H4	Geographical coverage and social impact	Validated (with reservation)
H5	Shariah compliance and beneficiary adherence	Validated (with reservation)
H6	Digitalisation of Islamic financial services	Not confirmed
H7	Institutional sustainability and durability	Validated

Source: authors.

Discussion and strategic recommendations

The results converge towards a positive but nuanced diagnosis. PROCAPEC undeniably fulfils its mission of social outreach and financial inclusion of vulnerable populations, and demonstrates robust institutional viability. However, three areas of vulnerability stand out: concentration on a single instrument (Murabaha), under-digitalisation, and urban–rural asymmetry. Five strategic orientations follow.

First, diversifying the offering through the development of participatory products (Mudaraba for local start-ups, diminishing Musharaka for social housing finance) would better align financial performance with the spirit of Islamic finance, which favours risk sharing (Iqbal and Mirakhor, 2011; Aliyu et al., 2017). Such diversification presupposes strengthened financial engineering and credit-officer training, in partnership with the IRTI or specialised universities (INCEIF, IUM).

Second, accelerating digitalisation is an imperative. Developing a dedicated mobile application — integrating account consultation, online financing applications (Murabaha, Mudaraba), automated repayments, mobile-money payments, and goal-based savings products — would enable PROCAPEC to reach the Mauritanian technological frontier and capture young and rural segments. Integration with national platforms (Bankily, Sedad, Masrvi) would accelerate the network effect (AFI, 2024; Rahman et al., 2023).

Third, integrating Islamic social finance instruments (zakat, sadaqa, waqf) alongside commercial products could amplify social impact and relieve pressure on profitability. The experience of Akhuwat in Pakistan and of certain Indonesian MFIs (BMTs) shows that the combination of commercial products and Shariah-compliant social safety nets can generate a multiplier effect on exit from poverty (Hassan, 2015; Maouloud et al., 2021b).

Fourth, deepening the gender dimension of the commercial strategy — with a target percentage of women beneficiaries and dedicated products (financing of women's cooperatives, maternity micro-takaful) — would respond both to the objectives of the maqasid al-shariah (justice and the preservation of life) and to the Sustainable Development Goals (SDG 5).

Fifth, strengthening the social-performance measurement system — through the adoption of CERISE's SPI4 indicators or the Universal Standards for Social and Environmental Performance Management — would enable PROCAPEC to objectify its impact and attract concessional refinancing from funders such as the Islamic Development Bank, the IFC, or Proparco (Proparco, 2024).

Conclusion

This article has empirically assessed the performance of Mauritanian Islamic microfinance through the case of PROCAPEC, on the basis of a longitudinal study (2019–2023) of three representative cooperatives complemented by an aggregated institutional reading of the network. Seven operational hypotheses articulating social, financial, Shariah, and institutional performance were examined.

The results confirm that Mauritanian Islamic microfinance, as embodied by PROCAPEC, succeeds in reconciling social outreach, effective savings mobilisation, credit-portfolio resilience, and full Shariah compliance. The sustained growth of the membership base (multiplied 5.7-fold between 2007 and 2023) and the mobilisation of nearly one billion ouguiyas of savings attest to a deep anchoring in households' financial practices. The densest territorial mesh in the country extends this anchoring to rural and peri-urban areas.

However, three areas for improvement are identified: dependence on a quasi-single instrument (Murabaha), which limits the transformative reach of the model; the digital lag, which restricts accessibility for young people and isolated populations; and urban–rural asymmetry despite the territorial coverage effort. These limitations trace a strategic agenda articulating contractual diversification, digital innovation, the integration of Islamic social finance (zakat, waqf), gender deepening, and the institutionalisation of impact measurement. They also echo the warning issued by Sghair M'bareck Said and Moulaye Ismail (2026): the expansion of access to microcredit is only socially transformative if it is coupled with mechanisms ensuring the entrepreneurial quality and productive orientation of the projects financed.

This study has several methodological limitations that should be underlined. First, the sample of three CAPECs, although chosen for its diversity, does not allow statistical generalisation to the whole network. Second, the absence of direct access to portfolio-quality indicators at cooperative level (PAR30, ROA, OSS) restricts the depth of the financial analysis. Finally, the absence of a quantitative beneficiary survey limits impact measurement at household level. These limitations open avenues for future research, notably comparative study with other Islamic MFIs (Bank Al-Ibdaa, IDM) and impact measurement using quasi-experimental methods.

Beyond the Mauritanian case, this article enriches the nascent literature on Islamic microfinance in Francophone Africa — still sparsely charted compared with work on South-East Asia or the Middle East — and invites comparative investigations at sub-regional level (Senegal, Mali, Niger), where Islamic microfinance is experiencing remarkable growth.

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