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**Advans Takes Control of Cambodia's Amret; GRET, Proparco Exit**  
Please see the subscriber edition for coverage of this "Deal of the Month."

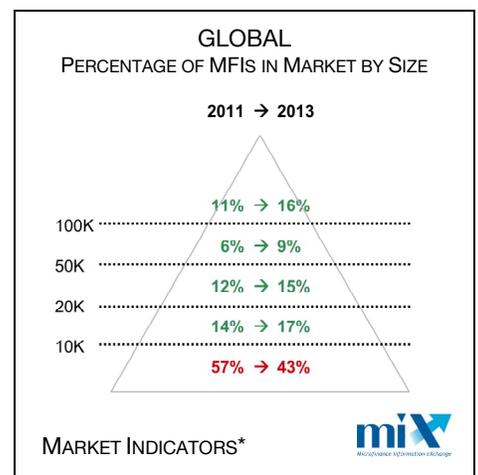
**Base of Pyramid Asia Buys 33% Stake in Alliance for Microfinance in Myanmar**  
For an undisclosed price, Base of Pyramid Asia (BOPA), a Singapore-based equity investor in small microfinance institutions (MFIs), has purchased a 33-percent stake in the Alliance for Microfinance in Myanmar (AMFIM), a deposit-taking MFI. As a result of this issuance of new shares, Swiss rural-finance investor Financial Systems Development Services (FIDES) reduced its holding in AMFIM from 76.2 percent to 51 percent, and FIDES affiliate Swiss Microfinance Holding reduced its from 23.8 percent to 16 percent. BOPA CEO Christian Andersen said, "...we look forward to making economic and social impact together with our partner AMFIM." AMFIM was founded in 2014 by FIDES in partnership with the BASIX Group, an Indian provider of financial and business development services to people with low incomes. AMFIM reports USD 60,000 in loans outstanding to 628 borrowers and USD 8,000 in deposits collected from 700 customers. Founded in 2013, BOPA holds stakes in MFIs in Cambodia, East Timor, Kazakhstan, Myanmar and Vietnam. April 8, 2015

**Goodwell West Africa Acquires 30% Stake in WWB Ghana**  
Goodwell West Africa, one of four funds of the Netherlands' Goodwell Investments, recently acquired a 30-percent stake in Women's World Banking (WWB) Ghana, an affiliate of US-based NGO WWB, whose 39 members serve 26 million clients with a gross loan portfolio of USD 6.9 billion and USD 4.4 billion in deposits collected. This co-investment with Ghana's Databank Group and JCS Investments resulted in Databank becoming the largest shareholder in WWB Ghana. The sizes of the other stakes and pricing of the investments have not been released. WWB Ghana has total assets of USD 15 million, a gross loan portfolio of USD 7.5 million disbursed to 7,000 borrowers, USD 15 million in deposits accumulated from 86,000 depositors, return on assets of 1.9 percent and return on equity of -41 percent. From its branches in The Gambia, Ghana and Liberia, the Databank Group offers services such as insurance, savings and asset management. April 3, 2015

**Bangladeshi Government Takes Interim Control of Grameen Bank**  
Although the government of Bangladesh owns only 25 percent of microfinance institution Grameen Bank, it recently appointed the majority of the organization's interim board of directors. A new board is to be elected by Grameen's shareholders within one year. Former government advisor and economist A B Mirza Azizul Islam voiced concern over the government's actions: "With these unnecessary changes, the government is tinkering with a system that has allowed Grameen to prosper, while many state-run banks are embroiled in scandals." Grameen Bank reports total assets of USD 2.2 billion, a gross loan portfolio of USD 1.1 billion, deposits of USD 2.1 billion, return on assets of 0.69 percent and return on equity of 11 percent. March 25, 2015

*(For more top stories, please refer to the subscriber edition\*)*

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**MICROCAPITAL BRIEFS**

**Advans Expands to Tunisia**

Advans SA, a Luxembourg-based investor in microfinance institutions, has announced the launch of its ninth affiliate, Advans Tunisie. Although it was created in 2013, Advans Tunisie only recently obtained an operating license from the Tunisian Finance Ministry. Advans SA is the majority shareholder of the microbank, with its other shareholders including the Sanad Fund for MSME (micro-, small and medium-sized enterprises), which is supported by the EU and the German government; Amen Bank, a Tunisian bank; and Inaam, a holding company backed by “socially oriented” Tunisian investors. Advans SA serves 322,000 loan clients via 140 branches in Asia and Africa, with total assets equivalent to USD 62 million. March 30. 2015

**Triodos Fund Loans \$800k to Bioexport of Paraguay**

The Triodos Sustainable Trade Fund, an investment vehicle managed by a unit of the Netherlands-based Triodos Bank, recently told MicroCapital that it has loaned USD 800,000 to Bioexport, a Paraguayan firm that exports sesame and other crops purchased directly from farmers and cooperatives. The term of the loan runs from February to December 2015, a time period selected to coincide with the sesame harvest, enabling the firm to purchase crops at the “very beginning of the harvest, paying a fair price to the farmers and further promoting organic practices.” Bioexport was founded in 2009 and exports 5,000 metric tons of sesame per year. Its services include supporting farmers in becoming certified as organic producers and contributing to irrigation and drinking-water projects. March 24. 2015

*(For more briefs, please refer to the subscriber edition)* 



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## EAR TO THE GROUND

### Microinsurance for Climate Change: An Umbrella in a Hurricane

I was in Chile last week, where I couldn't help but feel guilty for enjoying the sunny weather as I looked into the dry bed of the Mapocho River. No longer the roaring river I remember, its small trickle leaves its walls exposed enough for artists to use as a canvas for elaborate murals. I spoke about the lack of rain to someone who had just returned from a small farm to the south. "The wells have dried up; we have to get water for consumption from a delivery tank or walk to the river a few miles away," he shared. So far, milk production in Chile's vast farmland has declined 20 percent and livestock production has fallen 12 percent from last year. This concerned me, as I was in Arequipa, Peru, just a few weeks earlier where farmers complained that an unseasonable bout of rain had washed out some roads. In Peru, the government estimates that 89 percent of the road infrastructure is vulnerable to climate events.

In Latin America, climate change is a tangible threat and one that has raised concerns within microfinance institutions (MFIs). Many financial institutions there have been shifting into rural and agricultural lending to flee the over-indebtedness of urban centers. This strategy makes sense in theory, and it will promote the financial inclusion policies of many governments. But I am concerned that some of these financial institutions may not be ready to tackle some of these risks. Moving into rural areas is not simply a "copy and paste" activity, but requires an understanding of the rural economies including the risks they face. Climate change is an increasingly large risk, and many institutions are looking to microinsurance to address it. But that's like trying to use a small umbrella during a hurricane.

After over three years working on the MILK Project, including 18 detailed case studies of clients' post-claim experiences, I am certain that

microinsurance is not the answer. At its best, it is an accessible and valuable complement to other risk-coping mechanisms that people turn to when crisis strikes. At worst, it is ineffective, and rural clients are left to finance all of their losses by selling assets, borrowing informally or utilizing other difficult mechanisms.

The first thing to keep in mind is that while the economies of rural communities are interlinked with agriculture, not all rural people are farmers. In much of Latin America, for example, rural communities have bustling commerce and some manufacturing as well. Agricultural insurance will do little to help these non-farmers when coffee plantations freeze and farmers' loans are forgiven by micro-insurance. Arguably, farmers will inject less money into the community after a disaster regardless of whether their loans are insured. Devastation on roads might also make it harder for both farmers and non-farmers to do business, and insurance rarely covers this risk.

Another consideration is that while MFIs offering insurance will be tempted to focus on covering their loan portfolio risk, what farmers need after a drought is cash. Loan relief alone won't put food on the table. While seeking solutions like weather-linked agricultural insurance is useful, farmers and rural families might benefit more from technical assistance and loans targeted to encourage diversification of income streams away from vulnerable activities.

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**PAPER WRAP-UPS**

**Loan Protection for Maize Farmers in Burkina Faso**

*By Barbara Magnoni and Danielle Sobol, published by The MicroInsurance Centre, 2014, 13 pages, available at <http://www.microinsurancecentre.org/resources/documents/milk-brief-35-doing-the-math-loan-protection-for-maize-farmers-in-burkina-faso>*

This paper presents the findings of a study on the cost of droughts to maize farmers in Burkina Faso and the role that Allianz, a Germany-based insurance provider, has played in offering microinsurance to cover losses due to natural disasters in general. Although most farmers in the country have diversified their income beyond agricultural endeavors, farmers still rely on produce yields to generate cash to invest in those other sources of income. Thus when yields are low, lack of insurance limits their ability to utilize these alternatives. In addition to cost, insurance uptake is limited by poorly designed and marketed products, a lack of understanding of available products and limited avenues for learning more about insurance. The authors conclude that although there are significant... *(Continued in the subscriber edition)*

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**Risks to Microfinance in Pakistan**

*By Ammar Arshad and Ali Basharat, published by Pakistan Microfinance Network, 2014, 48 pages, available at <http://www.pmn.org.pk/assets/articles/5534df4dd3c6d2a89037eaf695e127ea.pdf>*

This paper highlights several risks to the microfinance sector in Pakistan, updating a similar report completed in 2011. Increased competition among providers has resulted in reduced earnings and less access to wholesale funding. The funding issue has been exacerbated by macroeconomic trends that limit stakeholders' confidence in the industry. Government regulations deemed... *(Continued in the subscriber edition)*

**The Value of Claims Analysis in Health Microinsurance**

*By Jeanna Holtz, Tobias Hoffarth and Sapna Desai; published by Impact Insurance; 2014; 20 pages; available at [http://www.impactinsurance.org/sites/default/files/mp38\\_final2.pdf](http://www.impactinsurance.org/sites/default/files/mp38_final2.pdf)*

This paper provides a summary of how analyzing claims data allows health microinsurance (HMI) practitioners to gain insights into how to improve both their product menu and the basic viability of HMI programs. The analysis includes HMI programs in South Asia run by VimoSEWA, Uplift Mutuals and Naya Jeevan. The authors discuss establishing protocols... *(Continued in the subscriber edition)*



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