

MICROCAPITAL BRIEFS | TOP STORIES

FMO, Triodos Loan \$35m to Khan Bank of Mongolia for SMEs

Please see page 7 for coverage of this “MicroCapital Deal of the Month.”

Malaysia Arranges \$64m in Loans for Women, Chinese Traders

SME Bank, which is backed by the Malaysian government, recently launched the Women Entrepreneur Financing Program with a budget equivalent to USD 56 million to provide capital for female entrepreneurs in Malaysia. Additional details on the program are unavailable. Separately, Malaysian Prime Minister Datuk Seri Najib Abdul Razak announced the launch of a scheme to disburse USD 8.4 million in microloans via the government-funded foundation Yayasan Penjaja dan Peniaga Kecil Malaysia. Under this program, traders of Chinese descent can apply for loans of USD 1,400 to USD 4,200 with an annual interest rate of 4 percent and terms of three years. June 3, 2015

Impulse Fund Exits from MFIs in India, Mexico

The Impulse Microfinance Investment Fund, which is managed by Belgium’s Incofin Investment Management, recently reported that during 2014 it sold its equity stakes in India-based Grameen Koota and the Mexican operations of El Salvador-based Apoyo Integral Inversiones. While the Impulse Fund sold its stake of about 10 percent in Grameen Koota to a fund specializing in microfinance, its participation in Apoyo Integral Inversiones was sold to a local bank. The names of the purchasing organizations, the prices paid and the size of the stake in Apoyo Integral Inversiones have not been disclosed. Grameen Koota reports total assets of USD 176 million, a gross loan portfolio of USD 137 million, return on assets (ROA) of 2.7 percent, return on equity (ROE) of 13 percent and 505,000 active borrowers. The institution does not accept deposits. Apoyo Integral Inversiones, whose other holdings will continue to serve El Salvador and Guatemala, reports total assets of USD 9 million, a gross loan portfolio of USD 6.8 million, ROA of 1.2 percent and ROE of 5.5 percent from its operations in Mexico, where it does not accept deposits. June 1, 2015

Kenya's Jamii Bora Bank Upscaling to Target SMEs

Kenya’s Jamii Bora Bank recently announced that it has shifted its focus from microfinance to serving small and medium-sized enterprises (SMEs). As part of this change, it has introduced “Business Bora” current and savings accounts, which are targeted at SMEs. Jamii Bora reports assets of USD 81 million and deposits of USD 41 million. May 31, 2015

Zimbabwe's Deposit Protection Corp Arranging MicroKing Sale

Zimbabwe’s Deposit Protection Corporation recently announced that it is seeking a buyer for MicroKing Finance Limited, a microfinance subsidiary of AfrAsia Zimbabwe Holdings, which is domiciled in Mauritius. AfrAsia’s license to operate in Zimbabwe was cancelled when MicroKing did not meet a recent regulatory deadline to raise USD 25 million in equity capital. Six firms reportedly have shown interest in MicroKing, which has been profitable. The UK government’s Department for International Development has invested USD 800,000 in MicroKing, which reports assets of USD 14 million, a gross loan portfolio of USD 11 million disbursed to 11,000 borrowers, return on equity of 46 percent and return on assets of 12 percent. Details on the organization’s deposit services are unavailable. May 22, 2015

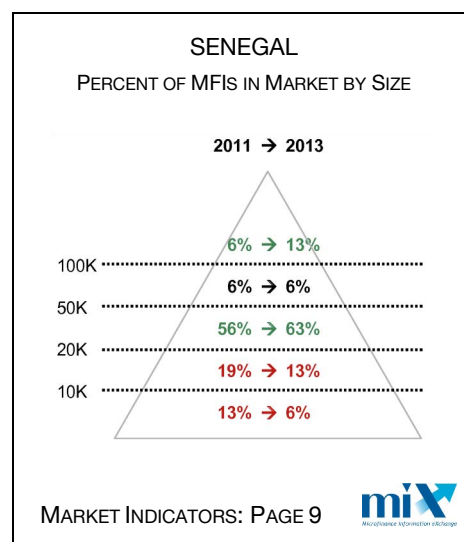
AFESD Loans \$50m to Sudan for Rural Microfinance

The Arab Fund for Economic and Social Development, a 22-member multilateral institution, recently loaned USD 50 million to the Central Bank of Sudan, primarily for rural microlending. Approximately half of the loan has been disbursed to four microfinance institutions and 11 state institutions, none of which have been named publicly. May 22, 2015

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MICROCAPITAL BRIEFS

Pamiga Raises \$12m for Solar Power, Irrigation in Rural Africa

Pamiga Finance recently raised USD 12 million to on-lend as 100,000 microloans over seven years for solar energy and micro-irrigation systems in rural Benin, Burkina Faso, Cameroon, Kenya, Madagascar, Senegal, Tanzania and Togo. The Overseas Private Investment Corporation, a development finance institution backed by the US government, and the Calvert Foundation, a US-based nonprofit community development financial institution, supplied the effort loans of USD 4.75 million and USD 1.5 million, respectively. The remainder of the funds was provided in unspecified proportions by the EU's European Investment Bank and the Swiss Agency for Development and Cooperation. Pamiga Finance is an investment company owned by the Participatory Microfinance Group for Africa (PAMIGA), a France-based network with 25 partner microfinance institutions. June 11. 2015

Azerbaijan's Post Office to Offer Microloans

Azerbaijan's Communications and High Technologies Ministry recently announced that Azerpocht, the country's government-backed postal service provider, plans to add microloans to its menu of financial services, which already includes debit cards, currency exchange, utility payments and money transfers. Communications Minister Ali Abbasov said that the expansion would be "focused at villages and [rural] regions for [the] development of small business." Azerpocht, which has 1,600 branches, previously announced its intention to offer microcredit more than once, including as was reported in the December 2010 issue of this newspaper. June 11. 2015

Afghanistan Establishes Credit Bureau, Collateral Registry

Da Afghanistan Bank, the central bank of Afghanistan, recently established collateral and credit registries, which allow financial institutions to track information about clients, outstanding loans and assets pledged to back those loans. The effort was supported by funding from the World Bank's International Development Association; the World Bank Group's International Finance Corporation; and Harakat, a grant facility funded by the UK's Department for International Development. June 11. 2015

Impact Insurance Facility, AFD Seek to Boost Insurance in Africa

The Impact Insurance Facility of the UN's International Labour Office and the French government's Agence Francaise de Developpement recently signed a three-year partnership seeking to strengthen the resilience of middle-income workers in the informal sector in Sub-Saharan Africa. The partners will support the capacity building of six to eight partner organizations, as well as boosting governments' awareness of microinsurance. The Impact Insurance Facility, which has an annual budget of USD 1.5 million, was launched in 2008 in Switzerland as the Microinsurance Innovation Facility. AFD has assets equivalent to USD 34 billion. Financial details of the partnership have not been released. June 10. 2015

Kenya's BitPesa to Expand Mobile Remittances to Tanzania

BitPesa, a Kenyan startup that uses bitcoin to offer mobile phone-based remittances, has expanded its business model to Tanzania. While the fee for the service is 3 percent, exchange rate margins also affect the total cost of remittances. Users from most countries can use BitPesa to send money to Kenya and Tanzania by first acquiring bitcoin, a digital currency that can be bought through third-party service providers. Recipients access the remittances, which arrive in local currency, via a mobile phone-based electronic wallet. In its first year of operations, BitPesa raised USD 1.8 million from various investors, the largest of which was US-based Pantera Capital. June 10. 2015

Pakistan Aims for Universal Financial Inclusion

The State Bank of Pakistan, the nation's central banking authority, recently announced the introduction of a National Financial Inclusion Strategy, which outlines reforms intended to move Pakistan toward universal financial inclusion. The World Bank assisted in the project, whose goals are tied to the government of Pakistan's Vision 2025, a set of economic and social development targets. Finance Minister Mohammad Ishaq Dar said that "Government is striving to create more opportunities [for] doing business and make the common people of Pakistan self-reliant and more economically empowered." June 9. 2015

Vision Loans \$6m to MFIs in Asia, Colombia, Nigeria, Paraguay

Austria's C-Quadrat Asset Management (AM) recently told MicroCapital that it issued loans totaling the equivalent of USD 6 million during May via its two Vision Microfinance funds to unspecified microfinance institutions (MFIs) in Armenia, Colombia, Georgia, Mongolia, Nigeria, Tajikistan and Paraguay. Of this total, USD 500,000 went to the Mongolian MFI, which was founded in 2001 in Ulaanbaatar and serves 3,200 clients, mainly micro-, small and medium-sized enterprises. Formerly known as Absolute Portfolio Management, C-Quadrat AM is a unit of C-Quadrat, which manages assets equivalent to USD 6.3 billion. The firm's Dual Return Fund - Vision Microfinance and Dual Return Fund - Vision Microfinance Local Currency were created in 2006 and hold assets valued at a total of USD 258 million. June 8. 2015

PFIP, Bima to Offer Microinsurance in Rural Papua New Guinea

The Pacific Financial Inclusion Programme, a Fiji-based initiative of the United Nations, and Bima, a Swedish microinsurance provider that partners with mobile-phone network operators, recently launched an effort to provide microinsurance in Papua New Guinea (PNG) with the support of the EU; the Australian government; and the Bank of PNG, the country's central bank. Over two years, Bima will aim to sell 75,000 life insurance and hospitalization policies, "including [to] 50 percent women and 90 percent rural-based" customers. The life product covers "death and total permanent disability," and the hospitalization insurance will reimburse up to 30 nights of care per year. Both products are available at several coverage levels, with monthly premiums ranging from the equivalent of USD 1.30 to USD 4.00. June 6. 2015

Incofin's Rural Impulse Fund Loans \$1.5m to Humo of Tajikistan

Incofin Investment Management (IM), a Belgium-based company that manages funds investing in microfinance institutions (MFIs), recently issued a loan of USD 1.5 million with a term of 12 months via the Rural Impulse Fund II to Humo and Partners, an MFI in Tajikistan. Humo reports a gross loan portfolio of USD 31 million and 31,000 clients. It received a license to accept deposits in 2013, but details on this service are not available. Humo operates a network of 68 service locations, primarily in western and southern Tajikistan. June 5. 2015

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Please refer to <http://MicroCapital.org> for information sources for all briefs. MicroCapital recognizes the individuals at CGAP, the Microfinance Gateway and the Microfinance Information Exchange for their outstanding work disseminating information on microfinance. Thank you!

In Tunisia, DiD Opens 5th Entrepreneur Financial Center

Développement international Desjardins (DiD), a Canadian nonprofit working with the community finance sector in emerging economies, officially has opened the Centre financier aux entrepreneurs de Tunisie, also known as the Entrepreneur Financial Center (EFC) of Tunisia. DiD; AfricInvest, a Tunisia-based firm that invests capital in small and medium-sized enterprises in Africa; and the Desjardins Fund for Inclusive Finance are launching the EFC with financial support from the Canadian government's Department of Foreign Affairs, Trade and Development Canada. As with DiD's EFCs in Panama, Tanzania, Uganda and Zambia, EFC of Tunisia will offer clients and employees a share acquisition program. Both DiD and the Desjardins Fund are units of the Desjardins Group, a Canadian financial cooperative with assets of USD 188 billion. June 5. 2015

India Launching Insurance, Pension Schemes

India recently launched three new social security schemes: a life insurance policy worth the equivalent of USD 3,150 with an annual premium of USD 5.20, accident insurance worth USD 3,150 for a fee of USD 0.20 per year and a pension plan with contributions matched one-to-one by the government. The government also will pay banks USD 0.02 for each customer enrolled in life insurance and USD 0.47 for each enrolled in accident insurance. However, if this fee plus program income does not cover the entire cost, "most likely this burden will end up on banks, since the government doesn't seem to offer [sufficient] financial assistance to banks to launch these products," according to an article in the Indian online newspaper *Firstpost*. June 5. 2015

Incofin to Advise Invest In Visions' IIV-Microfinance Fund

Belgium's Incofin Investment Management recently was named fund advisor for Invest In Visions' IIV-Microfinance Fund, which was launched in 2011 to invest in loans to small and medium-sized (tier-2 and tier-3) microfinance institutions in developing countries. Invest In Visions is a German firm founded in 2006 that specializes in "sustainable investments." The IIV-Microfinance Fund, its only product, reports a volume equivalent to USD 150 million. June 4. 2015

WSBI, CYFI to Partner on Youth Financial Inclusion

The World Savings and Retail Banking Institute, a Switzerland-based association of 1,000 financial intermediaries from 89 countries, and Child and Youth Finance International, a Netherlands-based NGO that promotes youth financial access and education, recently agreed to formalize their ongoing collaboration with the aim of empowering people between the ages of 6 and 30. The main joint efforts are: (1) SchoolBank, an initiative to increase the understanding and use of financial services by disseminating financial education via schools and mobile technology; (2) Global Money Week, an annual series of events intended to promote "fun and interactive" activities teaching youth about personal finance, entrepreneurship and employment; (3) research on promoting financial literacy among youth; and (4) cross-promotion of each organization's initiatives. June 4. 2015

China's Zuoli Obtains Approval to Lend to Online Retailers

China's Zuoli Kechuang Micro-finance Company recently obtained approval from the government of Zhejiang Province to cooperate with online money-lending platforms and issue loans to online retailers nationwide. The company expects these loans to be in amounts equivalent to USD 80,000 at an annual interest rate of 15 percent. "By providing loan services to online retailers throughout the country, the company will lift its current geographical limitation...and reduce reliance on the local market," said Zuoli Chairman Yu Yin. Zuoli reports USD 271 million in loans outstanding to 1,200 customers and return on equity of 12 percent. May 31. 2015

Oradian Raises Funding to Scale Instafin Software in West Africa

Oradian, a Croatian provider of software for microfinance institutions that was founded in 2011, recently raised an undisclosed amount of funding to scale its products in West Africa, a process that will include expanding its teams in Croatia and Nigeria. The investors include Prague-based Credo Ventures, Budapest-based Day One Capital and London-based Playfair Capital, along with various individuals. Instafin, the firm's main product, is a cloud-based, core banking system. May 28. 2015

SimbaPay Opens Mobile Money Channel from UK to Nigeria

SimbaPay, a UK-based digital money transfer service, reportedly has begun offering transfers to Nigeria. Customers may use the SimbaPay website as well as iOS (Apple) and Android smartphone apps to transfer funds from the UK via a bank account, debit card or credit card. Transfers are credited to recipients' bank accounts or mobile money wallets "within seconds." While there is no fee for the service, exchange rate margins can affect the cost of such transfers. The service also allows for transfers from the UK to Kenya. May 28. 2015

IFC to Loan \$15m to Chase Bank Kenya, Half for Women

The International Finance Corporation (IFC), the private-sector arm of the World Bank Group, recently agreed to loan USD 15 million and provide 15 months of advisory services to privately owned Chase Bank Kenya. The goal is to boost financial access for small and medium-sized enterprises. Half of the cash investment will be reserved for women-owned enterprises. The advisory services will include "advice and training to both bank staff and customers on credit analysis, gender awareness and sales, and business management." Chase Bank Kenya has assets equivalent to USD 1.1 billion. May 27. 2015

SPTF, CERISE Release Updated Social Performance Tool

The Social Performance Task Force (SPTF), a US-based nonprofit charged with addressing the measurement and management of social performance in microfinance, and the France-based network Comité d'Echanges de Réflexion et d'Information sur les Systèmes d'Épargne-crédit (CERISE) recently released version 1.2 of SPI4, which can be used by microfinance institutions to self-evaluate their level of client protection and status on a set of social performance indicators (SPIs). The new version boasts improved stability; training materials; reporting features; interoperability with data from the US-based Microfinance Information Exchange; and compatibility with the previous version of the tool, SPI3. SPTF defines social performance as operating "in line with accepted social values that relate to serving larger numbers of poor and excluded people." The updated tool is available at <http://www.cerise-spi4.org>. May 27. 2015

Messrs United Cement, AFD Loan \$5m to Nigeria's LAPO

Messrs United Cement Company of Nigeria, an indirect subsidiary of the French construction materials company Lafarge, and Agence Française de Développement, the international development arm of the French government, reportedly have collaborated to loan the local-currency equivalent of USD 5 million to Lift Above Poverty Organization (LAPO), a Nigerian microfinance institution, to fund the construction of 5,000 new housing units in the country. Prospective homeowners will be required to supply 10 percent of construction costs; provide two guarantors; and own land in the city of Calabar, Cross River State. LAPO reports total assets of USD 208 million, a gross loan portfolio of USD 176 million outstanding to 721,000 borrowers, USD 107 million in deposits collected from 1.2 million depositors, return on assets of 11 percent and return on equity of 47 percent. May 25. 2015

CEMLA to Seek Improvements in LAC Remittance Market

The Multilateral Investment Fund, a member of the US-based IDB (Inter-American Development Bank) Group, recently donated USD 1.2 million to the Centro de Estudios Monetarios Latinoamericanos, an association of Latin American and Caribbean central banks, for an effort to address legal and regulatory barriers to remittances such as “onerous requirements for opening accounts,” restrictions on direct deposits of remittances to electronic wallets or bank accounts, and obstacles to distribution channels that may lower costs, such as agent networks and mobile technology. May 25, 2015

Branch Offers Mobile Microcredit Based on Behavioral Data

Branch International, “a mobile-based microfinance institution for the world,” reportedly has begun offering loans of up to USD 20 to users of Android-based phones in its first country of operation, Kenya. Branch makes credit decisions by analyzing prospective borrowers’ daily spending habits, loans, deposits and social connections via phone apps such as M-Pesa, a mobile money service developed by UK-based Vodafone, and Facebook, a US-based social media platform. The service does not offer deposits or in-person transactions. Matt Flannery, a former CEO of Kiva, a US-based nonprofit crowdfunder for microfinance institutions, created the service. Branch has raised USD 1.4 million in seed funding from US-based Formation 8 and the India-based Khosla Impact Fund. May 25, 2015

Parinaam of India Boosts Financial Literacy in Garo, Jaintia, Khasi

The Parinaam Foundation, which provides social services to women in India, has partnered with the World Bank Group and the government of the Indian state of Meghalaya to offer a financial literacy training program to individuals in three communities: Garo, Jaintia, and Khasi. The foundation has trained 24 “master trainers,” who will seek to present the programs to 2,250 participants in 45 villages. May 25, 2015

Accion’s Smart Campaign Amends Client Protection Certification

The Smart Campaign, a consumer-protection initiative launched in 2010 by US-based nonprofit Accion, recently announced changes to its Client Protection Certification Program that reduce the time it takes for financial institutions to become certified, extend certification validity from two years to four years, and launch an appeals and complaints system. The Certification Program recognizes financial institutions that meet principles addressing “appropriate product design and delivery, prevention of over-indebtedness, transparency, responsible pricing, fair and respectful treatment of clients, privacy of client data and mechanisms for complaint resolution. Isabelle Barrès, director of the Smart Campaign, said, “Our goal is to make the program as cost-effective and user-friendly as possible. We want microfinance clients everywhere to work with institutions that meet high consumer-protection standards.” The Smart Campaign has certified 32 microfinance institutions serving approximately 15 million clients. May 25, 2015

IFC, MasterCard to Share Risk in \$250m in Consumer Loans

MasterCard, a US-based payments and technology company, and the International Finance Corporation (IFC), a member of the World Bank Group, reportedly will establish a risk-sharing facility to support USD 250 million in small loans disbursed to people in emerging markets via payment cards. Local financial institutions will disburse the loans and be reimbursed for a portion of those that are not repaid. The majority of borrowers will have low incomes and receive the loans in the form of MasterCard debit cards for consumer purchases. According to a statement attributed to IFC CEO Jin-Yong Cai, this facility “...will benefit individuals and small businesses by improving the availability of non-cash financial services, which are safer, more transparent and more efficient than cash.” May 25, 2015

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STRYDE Program Extended to Serve 48k Youth in Rural East Africa

The MasterCard Foundation, which is based in Canada, and TechnoServe, a US-based nonprofit, recently announced a five-year, USD 25.9 million partnership to support 48,000 young people in rural East Africa via a second phase of the Strengthening Rural Youth Development through Enterprise (STRYDE) program. STRYDE, which was first launched in 2011, offers young people training in business development, securing jobs and agriculture. The new phase will focus on sustainability by helping local partners build capacity to continue the program after the external funding ends. The new phase will continue in Kenya, Rwanda, southern Uganda, and be expanded into Tanzania and additional districts in northern Uganda. STRYDE has trained 15,000 young people. After participating in the program, trainees report having increased their incomes by an average of 233 percent, with 70 percent of trainees saving regularly, a seven-fold increase. May 24. 2015

Eco.business Loans \$10m in Costa Rica for Biodiversity

The Luxembourg-based eco.business Fund, which was launched in 2014, announced recently that it has loaned USD 10 million to Banco Davivienda Costa Rica, a unit of Colombia's Bolivar Group, for on-lending to companies that work in sectors such as agriculture, forestry and fisheries, and are certified for their sustainability and contribution to biodiversity by entities such as the Germany-based FairTrade International or the US-based Rainforest Alliance. The eco.business Fund will also assist Banco Davivienda in promoting businesses getting biodiversity certification through in-house technical workshops. Arturo Giacomini, the CEO of Banco Davivienda, said that his organization strongly supports the efforts of companies to achieve sustainability and is "proud to contribute to their growth as part of an economic strategy for the country." The eco.business Fund was launched with seed capital equivalent to USD 19 million provided by the German Federal Ministry for Economic Cooperation and Development (also known by its German acronym BMZ), with the German development bank Kreditanstalt für Wiederaufbau Entwicklungsbank serving as the project leader. For the half-year ending in June 2014, Banco Davivienda reported net income of USD 3.3 million. May 23. 2015

Millicom, Urwego Launch Tigo Sugira Mobile Savings in Rwanda

Millicom International Cellular, a Luxembourg-based telecommunications and media company, recently launched the mobile-based savings product Tigo Sugira in partnership with Urwego Opportunity Bank, a Rwandan microfinance institution. Tigo Sugira is executed via Tigo Cash, Millicom's preexisting mobile money service, which serves 2.5 million customers in Rwanda. Tigo Sugira transactions incur no fee, and balances earn an annual interest rate of 7 percent. Millicom has 10 million mobile finance services customers in 12 countries in Africa and Latin America. May 23. 2015

FMO, Triodos Loan \$35m to Khan Bank of Mongolia for SMEs

Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (FMO), a Dutch public-private partnership that aims to promote growth in developing economies, and Triodos Investment Management, a subsidiary of Netherlands-based Triodos Bank, have announced plans to invest a total of USD 35 million in Mongolia's Khan Bank for on-lending to small and medium-sized enterprises. FMO will provide USD 25 million of the total, and Triodos Investment Management will supply the remainder. Khan Bank reports total assets equivalent to USD 160 billion, a gross loan portfolio of USD 83 billion, USD 93 billion in deposits and 1.8 million customers. May 21. 2015

EFSE, IFC Loan \$97m in Turkey for MSEs; Energy Improvements

The European Fund for Southeast Europe (EFSE), a Luxembourg-based microfinance investment vehicle, and the International Finance Corporation (IFC), a member of the World Bank Group, recently announced that they will disburse senior loan funds totaling USD 97 million to Alternatifbank (ABank), a private commercial bank in Turkey. EFSE's share of the multipurpose credit facility is USD 22 million, an amount that is intended to support micro- and small enterprises (MSEs). IFC's share will fund MSEs as well as finance energy efficiency and renewable energy projects. EFSE Board Chair Monika Beck said, "ABank is a valuable partner of the EFSE, and we are pleased to support ABank in its efforts to foster economic growth and job creation in Turkey." ABank reports total assets equivalent to USD 4.1 billion, net loans of USD 3 billion and total deposits of USD 2.2 billion. May 19. 2015

Kenya, Rwanda, Uganda to Allow Cross-border Mobile Transfers

The governments of Kenya, Rwanda and Uganda, which established the One Area Network Agreement (OANA) in January to improve cross-border telecommunications, are seeking to expand its scope to allow mobile money transfers among the countries. Government officials reportedly are attempting to gain approval from their respective central banks and treasury ministries to allow the change. Previously, the cost of phone calls among Kenya, Rwanda and Uganda was lowered through the removal of certain tariffs via OANA. May 18. 2015

IFC, Government of Guinea-Bissau to Promote Leasing to SMEs

The International Finance Corporation (IFC), the private-sector arm of the World Bank Group, recently announced that it has agreed to support the government of Guinea-Bissau in building a leasing industry to serve small and medium-sized enterprises. IFC will provide advisory and capacity-building services for the government regarding reforming legal and regulatory frameworks for the leasing sector. Jérôme Cretegnny, IFC's Country Manager for Guinea-Bissau, added that "we believe that access to finance will be substantially improved and will allow SMEs to acquire production equipment and as a result, contribute to the economic recovery...". IFC's leasing program focuses on 10 "fragile" and conflict-affected countries, with the financial support of Switzerland's State Secretariat for Economic Affairs. May 18. 2015

Standard Chartered Loans \$16m to India's Janalakshmi

The Indian unit of UK-based Standard Chartered Bank recently notified MicroCapital that between January and March it disbursed local-currency loans totaling the equivalent of USD 15.5 million to Janalakshmi Financial Services, an Indian microlender. The terms of the loan have not been made public. Janalakshmi reports total assets of USD 420 million, a gross loan portfolio of USD 342 million and 1.4 million active borrowers. As of 2014, Standard Chartered reported total assets of USD 726 billion; it had USD 1 billion invested in microfinance institutions in Asia and Africa as of 2012. May 17. 2015

India's Sonata Borrows \$6m from Standard Chartered

The Indian unit of UK-based Standard Chartered Bank recently notified MicroCapital that it has disbursed a loan equivalent to USD 5.8 million to Sonata Finance Private Limited, a microfinance institution that serves India's northern states. Sonata reports total assets of USD 75 million and a gross loan portfolio of USD 58 million disbursed to 280,000 borrowers. May 16. 2015



African Microfinance Week

Dakar, SENEGAL
29 June - 3 July 2015

SPECIAL REPORT

This interview is part of a sponsored series on the second annual Semaine Africaine de la Microfinance (SAM), which is held each year by ADA, an NGO located in Luxembourg, in partnership with several African organizations.

Semaine Africaine de la Microfinance

MicroCapital: The SAM agenda emphasizes improving services in rural areas; is there something in that realm that you would like to highlight?

Mohamed Attanda: Yes, we have noted for the past several years that rural areas have not been well served by traditional financial institutions, so there has been a need for microfinance institutions to focus on rural areas and family farms. How microfinance institutions can deal with this problem is a big question. The large size of African Microfinance Week gives us more opportunities to work together to innovate in rural finance in Africa.

MC: Several networks have collaborated to create SAM. What is the advantage in collocating their general assemblies in conjunction with a conference?

MA: The advantages for the Microfinance African Institutions Network (MAIN) in working with other networks, such as the African Microfinance Network, the African Microfinance Transparency Forum and

the African Rural and Agricultural Credit Association, stem from the members that we have in common. First, I would say that striving to speak with one voice is important; this raises awareness of our work. We also set the stage for networking among the members of the different associations. Lastly, combining overlapping activities reduces our members' travel costs.

MC: Please tell us a bit about MAIN.

MA: MAIN is an international nonprofit association that was founded in 1995. Its members are microfinance institutions, NGOs, cooperative farmer's organizations, banks and universities that together bring financial and non-financial services to 1.2 million beneficiaries in 23 countries. We focus on building the capacity of microfinance practitioners through two programs: a university program and short-term courses. The university program runs for two to three years, and the short-term courses run for one to six days. In 2014, MAIN developed a training-of-trainers (ToT) module to spread best practices on financial education and income-generating activities. In 2015, we developed another ToT module on credit and risk management.

In 2001, we began offering associate's degree programs through Uganda Martyrs University. We have also worked with the Catholic University in Central Africa since 2006 and Togo's Catholic University of West Africa since 2012 to offer master's degrees in microfinance practice.

MC: What would you say to someone who is thinking about attending the African Microfinance Week for the first time?

MA: I encourage all industry players to participate in African Microfinance Week because it has become a powerful tool in the great orchestra of development and the fight against financial exclusion.

Mr Attanda is the CEO of the Microfinance African Institutions Network. 🇸🇳



African Microfinance Week
Dakar, SENEGAL, 29 June - 3 July 2015
Sign up: www.microfinance-africa.org

**Accelerating
Innovative
Rural Finance
in Africa**

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MICROCAPITAL MARKET INDICATORS SENEGAL

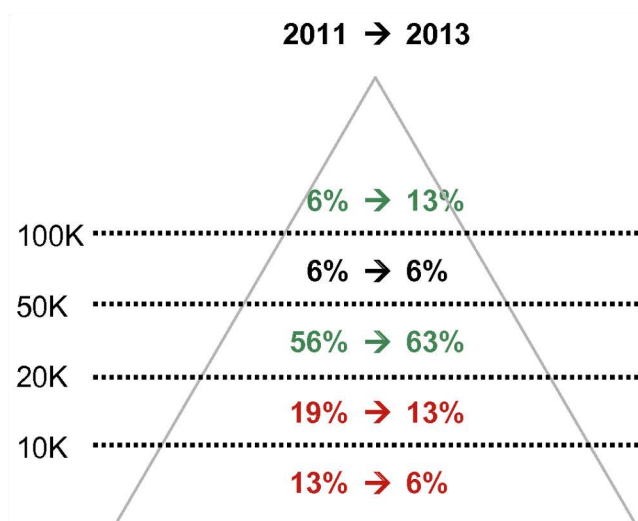


15 MICROFINANCE INSTITUTIONS (MFIs) REPORTING¹

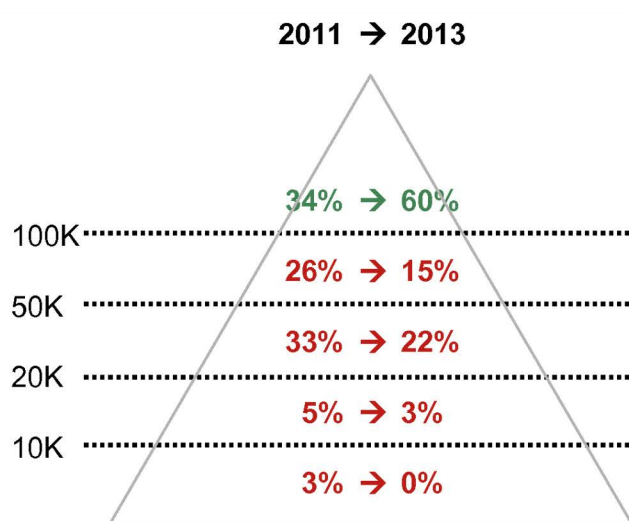
TOP MFIs BY GROWTH IN GROSS LOAN PORTFOLIO: CHANGE IN USD

MFI NAME	AVERAGE ANNUAL USD INCREASE	AVERAGE ANNUAL % INCREASE	2011	2013
Alliance de Credit et d'Epargne pour la Production Sénégal	8,249,799	12%	65,466,807	81,966,406
Crédit Mutuel du Sénégal	8,045,497	4%	186,492,537	202,583,532
Union des Institutions Mutualiste Communautaire d'Epargne et de Credit Dakar	2,325,209	3%	67,175,254	71,825,673
Coopérative Autonome pour le Renforcement des Initiatives Économiques par la Microfinance	1,832,352	20%	8,138,374	11,803,079
Fides Microfinance Sénégal	1,589,638	137%	689,900	3,869,176
Mutuelle d'Epargne et de Crédit de la Communauté Rurale de Taiba-Ndiaye	118,886	81%	103,912	341,684
Programme d'Appui aux Mutuelles d'Épargne et de Crédit au Sénégal	95,899	17%	513,104	704,902
Mutuelle d'Epargne et de Crédit des Femmes Propas	94,575	39%	200,051	389,202

PERCENT OF MFIs IN MARKET BY SIZE (NUMBER OF ACTIVE BORROWERS)



MARKET SHARE BY MFI SIZE (NUMBER OF ACTIVE BORROWERS)



¹Denotes only MFIs that reported data for 2011 and 2013 to the Microfinance Information Exchange (MIX) Market

UPCOMING EVENTS

Global Forum on Remittances and Development

June 16 - June 19, 2015; Milan, Italy

This event will include trends in remittances sent from Europe, best practices in regulation, opportunities for financial inclusion, competition and transaction costs, new technologies and opportunities for public-private partnerships. This event is free of charge. For additional information, you may email [remittances\[at\]ifad.org](mailto:remittances[at]ifad.org), call +39 0654592311 or visit <http://www.remittancesgateway.org/>.

12th European Microfinance Network Annual Conference

June 18 - June 19, 2015; Dublin, Ireland

Themed “Microfinance and banks: Are we the right partners?”, this conference will cover collaborative models, social performance, web-based fundraising, credit risk and the presentation of the Microfinance Research and Good Practices Europe Awards. The fee to attend is EUR 450, with various discounts offered. More details are available via [r.bujaldon\[at\]european-microfinance.org](mailto:r.bujaldon[at]european-microfinance.org), +32(0)2 893 24 48 or <http://www.emnconference.org/>.

Semaine Africaine de la Microfinance (SAM)

June 29 - July 3, 2015; Dakar, Senegal

The second annual African Microfinance Week will center around “accelerating innovative rural finance in Africa” and is designed to improve “the synergies” among the African Microfinance Network (AFMIN), the African Microfinance Transparency Forum, the African Rural & Agricultural Credit Association and the Microfinance African Institutions Network (MAIN). The week will include plenary sessions, trainings, an investors’ fair, an innovation fair and the general assemblies of AFMIN and MAIN. The primary languages of the event will be French and English. MicroCapital will provide sponsored, onsite coverage of selected sessions. The fee to attend is EUR 500, with discounted rates available for members of the organizing associations. For more information, please see page 8 of this newspaper; or you may email [info\[at\]microfinance-afrique.org](mailto:info[at]microfinance-afrique.org), call +352 45 68 68 1 or visit <http://www.microfinance-africa.org>.

Sixth Caribbean Microfinance Forum (CMF VI)

July 6 - July 9, 2015; Miami, Florida, USA

This event aims to bring together staff of microfinance institutions, policymakers, investors, academics and development partners to exchange ideas for developing the Caribbean microfinance sector. Also, the winner of the following Caribbean Microfinance Awards will be announced: outstanding entrepreneur, outstanding microfinance leader and first and second place awards for a responsible microfinance institution. The fee to attend the forum is USD 600, with a one-day rate of USD 200 available. For additional information, you may contact the organizers via [cmfsecretariat\[at\]gmail.com](mailto:cmfsecretariat[at]gmail.com) or +1 876 920 2677, or you may visit <http://caribbeanmicrofinancealliance.com/>.

AITEC Banking & Mobile Money Lagos 2015

July 28 - 29, 2015; Lagos, Nigeria

Themed “Financial Empowerment Through Trusted Payment Solutions,” this event will address issues in Nigeria’s financial services sector, including developments in payment technologies, best practices in information technology project deployment and trends in customer service delivery. Additionally, broader themes of risk management, governance, regulation and compliance will be covered. The cost to register is USD 590, with group discounts available. For additional information, you may contact the organizers at +44 (0)1223 891680, [info\[at\]aitecafrica.com](mailto:info[at]aitecafrica.com) or <http://aitecafrica.com/event/view/136>.

M2Money & Payments LATAM 2015

July 29 - July 30, 2015; Quito, Ecuador

This event will cover topics in mobile payments such as public-private partnerships, interoperability, retail payments, mobile wallets, mobile banking, and alliances between mobile and payment card providers. The fee to attend is USD 1250, with discounts offered for groups and all who register by June 28. More details may be sought via Danilo Bilbao at [dbilbao\[at\]frecuenciaonline.com](mailto:dbilbao[at]frecuenciaonline.com) or +1 305 567 2492, or you may visit <http://2015.mobilemoneylatam.com/>.

MORE DETAILS COMING SOON ON...

East Africa Microfinance Summit 2015

August 17 - August 19, 2015; Nairobi, Kenya

M2Banking LATAM

September 1, 2015; Miami, Florida, USA

Alliance for Financial Inclusion Global Policy Forum

September 1 - September 4, 2015; Maputo, Mozambique

Pacific Microfinance Week 2015

September 21 - September 25, 2015; Honiara, Solomon Islands

Global Youth Economic Opportunities Summit

October 6 - October 8, 2015; Washington, DC, USA

Social Capital Markets' SOCAP15

October 6 - October 9, 2015; San Francisco, California, USA

Opportunity Collaboration

October 11 - October 16, 2015; Ixtapa, Mexico

11th International Microinsurance Conference

November 3 - November 5, 2015; Casablanca, Morocco

SRI Conference on Sustainable, Responsible, Impact Investing

November 3 - November 5, 2015, Colorado Springs, USA

European Microfinance Week

November 18 - November 20, 2015; Luxembourg

Latin American MicroInsurance Summit 2016

March 29 - March 30, 2016; Miami, Florida, USA 🇺🇸



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PAPER WRAP-UPS

A Multifaceted Program Causes Lasting Progress for the Very Poor: Evidence From Six Countries

By A Banerjee, E Duflo, N Goldberg, D Karlan, R Osei, W Pariente, J Shapiro, B Thuysbaert and C Udry; published by the American Association for the Advancement of Science; May 2015; 96 pages; available at <http://dspace.mit.edu/handle/1721.1/97047>

This study evaluates a program providing “ultra-poor” families with a range of tools: a productive asset, such as a cow; training; life skills coaching; temporary cash grants; access to savings accounts; and health services. The authors study the results of this intervention via randomized trials in Ethiopia, Ghana, Honduras, India, Pakistan and Peru, with a total of 10,495 participants.

The researchers found statistically significant improvements among the treatment group in all countries across eight of ten indicators: food and non-food purchases, food security, assets, financial inclusion, use of time, income, mental health, and women’s empowerment. The two indicators for which there were not statistically significant impacts were physical health and political involvement. Overall, however, the authors conclude that the “estimated benefits are higher than the cost in five out of six sites.”

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The Global Findex Database 2014: Measuring Financial Inclusion Around the World

By Asli Demirguc-Kunt, Leora Klapper, Dorothe Singer and Peter Van Oudheusden; published by the World Bank; April 2015; 88 pages; available at <http://www.worldbank.org/en/programs/globalfindex>

This dataset indicates that between 2011 and 2014, 700 million people became account-holders for the first time via financial institutions and mobile money service providers, reducing the number of unbanked individuals by 20 percent. In this period, the percentage of adults with an account increased from 51 percent to 62 percent, with a 13 percentage-point increase in the number of accountholders in developing countries.

The growth of account ownership was particularly strong in East Asia and the Pacific, South Asia, and Latin America and the Caribbean, each of which saw an increase of more than 10 percentage points.

Account ownership increased the most in (1) the East Asia and Pacific region, by 25 percent; and (2) in Latin America and the Caribbean, by 40 million people. In Sub-Saharan Africa, mobile money accounts drove the growth in overall account penetration from 24 percent to 34 percent.

The authors note that while 185 million adults acquired new accounts in South Asia, there is an 18 percentage-point gender gap; 37 percent of women have an account compared with 55 percent of men. 📱



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