

**MICROCAPITAL BRIEFS | TOP STORIES**

**Incofin Exits as India’s Fusion Raises \$24m from Creation, GAWA, BIO, Oikocredit**  
Please see page 2 for coverage of this “MicroCapital Deal of the Month.”

**Banco Continental of Paraguay Lands \$47m Syndication for SMEs**  
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (FMO), a Dutch development bank, recently announced that it has closed a syndicated A/B loan of USD 100 million for Banco Continental, a commercial bank in Paraguay. While the B tranche has a term of three years, the A tranche comprises USD 47 million for a period of five years and is earmarked for on-lending to small and medium-sized enterprises. This tranche is funded by FMO, the Netherlands’ Triodos Investment Management and the Belgian Investment Company for Developing Countries, which is also known by its Dutch acronym BIO. While the level of participation of the other 10 investors has not been disclosed, FMO committed USD 17 million to the deal. Banco Continental also participated in FMO’s sustainable finance initiative to incorporate environmental and social risk into its credit risk calculations. August 30. 2016

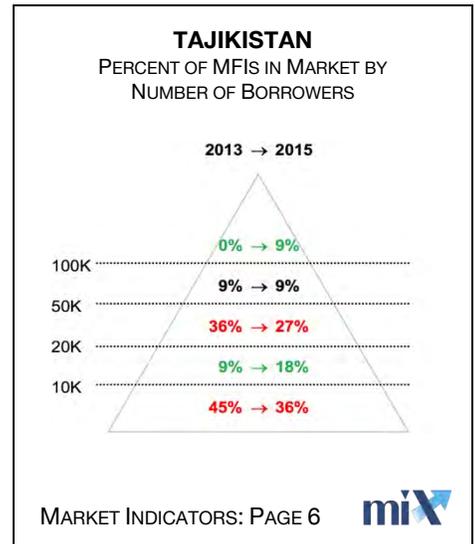
**Interest Rate Cuts in India Trickle Down to Microloans**  
From January 2015 through April 2016, as inflation fell, the Reserve Bank of India cut its policy rate in stages from 7.75 percent to 6.5 percent, leading to decreasing costs of funds for microfinance institutions and a corresponding reduction in lending rates to end-customers. Bandhan Bank is cutting its microloan rates from 20.5 percent to 19.9 percent. Bharat Financial Inclusion, known previously as SKS Microfinance, is charging 19.75 percent, a reduction of 100 basis points. “Due to better credit ratings and increased capitalization levels,” Ujjivan reduced its prices by 160 basis points to 22 percent to 23 percent per year. An increase in the use of technology reportedly has also decreased costs, contributing to the trend. August 27. 2016

**Pakistan Liberalizes Branchless Banking Regs, Sharing Responsibility with Banks**  
The State Bank of Pakistan (SBP) recently broadened the range of available branchless banking channels to include the 3G and 4G mobile communications spectra, point-of-sale terminals, debit cards for domestic transactions and online banking. SBP also added an inter-bank funds transfer service facilitating transactions between branchless banking account holders and non-account holders. The reforms also increase the daily, monthly and yearly limits on branchless bank transactions. SBP considers these reforms “part of the broader strategy...whereby the financial institutions lead the entire branchless banking program; all the responsibilities of [the] program shall rest with the financial institution.” August 18. 2016

**Sanad Fund for MSME Loans \$10m to Morocco’s Albaraka**  
The Sanad Fund for MSME (Micro Small and Medium Enterprise), a provider of loans and equity to financial institutions in the Middle East and North Africa, has announced it will loan USD 10 million to Albaraka, a Moroccan microlender, with the goal of aiding micro- and small enterprises. Albaraka reports USD 141 million in assets, a gross loan portfolio of USD 114 million, 144,000 borrowers and return on assets of 1.2 percent. August 15. 2016

**Tanzania’s National Microfinance Bank Lists \$19m in Bonds**  
The National Microfinance Bank (NMB), which is backed by the government of Tanzania, recently listed the equivalent of USD 19 million in three-year bonds on the Dar es Salaam Stock Exchange, surpassing its initial fundraising target by 107 percent. NMB Managing Director Ineke Bussemaker said, “The proceeds of the bond issue will be used for on-lending to the bank’s customers, who include individuals [and] micro-, small and medium-sized enterprises as well as large corporate and government institutions.” NMB reports total assets of USD 2.1 billion and return on assets of 3.3 percent. August 15. 2016

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## MICROCAPITAL BRIEFS

### Cambodia's Prasac Introduces Mobile Banking Using TranzWare

Cambodia's Prasac Microfinance Institution recently launched the following mobile banking services using the TranzWare processing platform from Compass Plus, an electronic payment systems provider with primary offices located in Russia and the United Kingdom: paying bills; transferring money within a client's account portfolio or to other people; and managing account balances such as for payment cards and mobile-phone plans. This follows Prasac's introduction of its "Cash-by-Code" service, whereby customers can transfer funds to people who do not hold an automated teller machine (ATM) card using a security code, which the recipient enters into any of Prasac's 114 ATMs to receive his or her cash. Prasac reports total assets of USD 1.1 billion, a gross loan portfolio of USD 860 million outstanding to 318,000 borrowers, USD 470 million held for 463,000 depositors and an annual profit of USD 47 million from operations at 181 branches. August 29, 2016

### VisionFund Selects BankBI's Cloud-Based Software

VisionFund International, the microfinance arm of US-based NGO World Vision, recently selected UK-based BankBI Limited's cloud-based software to "centralise its data management and reporting efforts [relating to] its operational, social performance and financial data" from its microfinance institutions in 32 countries. VisionFund and its affiliates report consolidated assets of USD 630 million, client deposits of USD 40 million, a gross loan portfolio of USD 500 million and 1.1 million customers. August 29, 2016

### Gates Foundation to Invest \$80m Improving Data on Women, Girls

The US-based Bill & Melinda Gates Foundation recently committed USD 80 million over three years to attempt to improve the availability and reliability of data on women and girls including: (1) how much time they spend on unpaid work; (2) the efficacy of existing interventions; and (3) how successful political leaders are in supporting gender equality. Among the program's goals is to "support civil society in holding leaders to account for the commitments they have made to women and girls." Gates Foundation CEO Melinda Gates said, "We simply don't know enough about the barriers holding women and girls back, nor do we have sufficient information to track progress against the promises made to women and girls." August 26, 2016

### Smart, ICM Expanding Mobile Banking in the Philippines' Iloilo

Smart Communications, a subsidiary of publicly-traded PLDT (formerly the Philippines Long Distance Telephone Company), recently partnered with the Philippines' International Care Ministries Foundation (ICM) to provide Smart's "SMART Money" mobile banking accounts to members of the Pototan community in the province of Iloilo. The service is intended to enable intra-community saving and lending in concert with ICM's "Catalyzing Entrepreneurship Among Iloilo's Ultrapoor" project, which is funded by the US Agency for International Development to "build entrepreneurial skills, provide micro-loans, create savings groups in impoverished communities, and launch home-based businesses." August 26, 2016

### Green for Growth to Loan \$2.2m to Alter Modus of Montenegro

The Green for Growth Fund (GGF), a Luxembourg-based investment vehicle that supports energy-efficiency (EE) initiatives in Southeast Europe, is planning to loan the equivalent of USD 2.2 million to Alter Modus, a Montenegro-based microlender, to fund reductions in energy usage and pollution emissions at homes and businesses. GGF will also provide Alter Modus with technical assistance regarding EE lending. Ana Kentera, the CEO of Alter Modus, said that project benefits include, "improving comfort through thermal isolation of [clients'] buildings [and] replacing windows and doors..." Alter Modus reports assets totaling USD 28 million and 14,000 borrowers. August 25, 2016

### India's Jharkhand, MicroSave Offer Financial Education for SHGs

Self-help groups (SHGs) in the Bero, Khuntipani and Manoharpur blocks of the Indian state of Jharkhand are participating in a pilot financial education program operated by Indian consultancy MicroSave and the Jharkhand State Livelihood Promotion Society (JSLPS), which is backed by the local government. The program includes modules on financial planning, savings accounts, credit, and pension and insurance products, which are delivered during regular meetings of the groups. In preparation to scale up the program, MicroSave has added the course content to its ePaathshala online portal and is training a corps of "master trainers" to disseminate the information in person. Additionally, SHG members will be able to call in to the program's integrated voice response system to seek further information. August 23, 2016

### India's Fusion Raises \$24m in Equity, Allowing Incofin to Exit

India's Fusion Microfinance recently raised the equivalent of USD 24 million in a funding round led by US-based Creation Investments. Incumbent investors Oikocredit and the Belgian Investment Company (also known by its Dutch acronym BIO) participated, as well as new investor Gawa, a Spain-based company focusing on microfinance. These investments have enabled the partial exit of Incofin Investment Management, a private Belgian company that first invested in Fusion in 2010 with a placement of USD 6.7 million. The prices and sizes of the current equity stakes have not been released. Fusion reports a gross loan portfolio of USD 105 million and 526,000 active borrowers. August 22, 2016

### IFC Bond Issue Raises \$4m for Dominican Republic's ADOPEM

The International Finance Corporation, the private-investment arm of the World Bank Group, recently issued the local-currency "Taino II" bond totaling the equivalent of USD 4 million, which will go to Banco de Ahorro y Crédito ADOPEM SA, a microfinance institution formerly known as Asociación Dominicana para el Desarrollo de la Mujer. The bond has a duration of 6.5 years and a yield of 8.75 percent. Citinversiones de Títulos y Valores functioned as lead underwriter and helped to raise capital for the transaction along with co-placement agent BHD León Puesto de Bolsa. Banco ADOPEM reports total assets of USD 129 million, a gross loan portfolio of USD 111 million outstanding to 218,000 active borrowers, deposits of USD 51 million from 310,000 clients, return on assets of 5.9 percent and return on equity of 24 percent. Banco ADOPEM is one of the seven members of Fundación BBVA Microfinanzas. August 19, 2016

### IFMR Seeking \$15m for FImpact Medium Term Microfinance Fund

IFMR Investment Managers, a unit of India's Institute for Financial Management and Research (IFMR) Trust, is seeking to raise the equivalent of USD 15 million for the IFMR FImpact Medium Term Microfinance Fund. The fund, which will have a tenure of 3.5 years, is to invest primarily in debt. The fund recently issued 37-month loans to Rashtriya Gramin Vikas Nidhi North East in the amount of USD 2.3 million and Intrepid Finance & Leasing in the amount of USD 1.5 million. The entity's other two funds, which have terms of six years, hold combined assets of USD 53 million. August 19, 2016

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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!

### Dual Return Funds Loan \$34m to MFIs in Latin America, Asia

During July 2016, Austria's C-Quadrat Asset Management issued loans worth the equivalent of USD 34 million to unspecified microfinance institutions (MFIs) in Costa Rica, Ecuador, India, Nicaragua, Paraguay and Sri Lanka. USD 2.5 million of this total was invested in the MFI in Sri Lanka, which is based in Rajagiriya and serves rural areas with the goal of increasing employment, gender equality and environmental awareness. Founded in 2008, the MFI employs 980 people and serves 367,000 clients. In addition to financial services, the MFI offers scholarships, training and the construction of biogas plants. Financial information on the organization is not available. C-Quadrat's Dual Return Fund-Vision Microfinance and Dual Return Fund-Vision Microfinance Local Currency were created in 2006 and report combined assets of USD 386 million under management. C-Quadrat Asset Management is a unit of Austria's C-Quadrat, which manages assets equivalent to USD 6.4 billion in 19 countries in Europe and Asia. August 17, 2016

### Tigo Tanzania Distributes \$2.5m in Profit to Customers, Agents

Tigo Tanzania, a unit of Swedish telecom provider Millicom, recently announced it distributed a portion of its profits equivalent to USD 2.5 million to Tigo Pesa's customers, retail agents and other business partners. In total, the company has paid USD 21 million to these groups since the start of the service in 2014. Customer payments are based on the average daily digital wallet balance. Ruan Swanepoel, Head of Mobile Financial Services for Tigo Tanzania, cited "Tigo's increased profitability, improved market condition and steady growth in the number of Tigo Pesa users as the major drivers to the significant increase in profit share especially from the merchant segment." Tigo Tanzania has 10 million registered subscribers. With a presence in 17 countries in Latin America and Africa, Millicom reports assets of USD 10 billion. August 17, 2016

### IDFC Bank Acquires India's Grama Vidiyal Micro Finance

The Infrastructure Development Finance Company (IDFC) Bank, which is minority-held by the Indian government, recently acquired Grama Vidiyal Micro Finance, which is headquartered in the Indian state of Tamil Nadu. The companies did not disclose the value of the deal although sources "estimated the transaction at INR 3 billion" (USD 45 million). While 95 percent of the loan portfolio of the bank comprises issues to large firms, it has been trying to expand its presence in rural areas under the Bharat Banking brand. The acquisition gives the bank 1.2 million additional customers - primarily rural women - in seven states. After the transaction, the bank plans to expand its micro automated teller machine service allowing staff and agents to deliver banking services in retail stores and at customers' homes. Grama Vidiyal reports an asset base of USD 228 million and 319 branches. August 15, 2016

### Canada Donates \$7m to DID, Sanasa for Microfinance in Sri Lanka

The Canadian government recently announced a donation totaling the equivalent of USD 6.7 million for the creation of an Entrepreneur Financial Centre (EFC) in Sri Lanka, to be implemented by Développement International Desjardins (DID), a unit of Canadian cooperative Desjardins Group, and Sanasa Development Bank, a Sri Lankan provider of loans, voluntary savings, leasing and fund transfer services to people with low incomes. In addition to traditional financial services, the EFC will offer enterprise training targeted at smallholder farmers and others managing small and medium-sized enterprises, especially women. Although DID operates EFCs in five other countries, this institution will be run by Sanasa, which reports total assets of USD 415 million and 2015 pre-tax profit of USD 7.3 million. August 11, 2016

### India's Suryoday Raises \$15m as Aavishkaar Goodwill Exits

Suryoday Micro Finance, a non-banking finance company in India, recently raised the equivalent of USD 15 million from investors including Arpwood Investment Advisors; ASK Pravi; Housing Development Finance Corporation (HDFC) Standard Life Insurance; the Infrastructure Development Finance Company (IDFC) Bank; Kiran Vyapar, the investment arm of LN Bangur Group; Polaris Banyan Holding and Dr. Aravind Srinivasan. Meanwhile, Aavishkaar Goodwill, an Indian-Dutch private equity fund investing in economic development projects, sold its 23-percent stake in Suryoday to responsAbility, Gaja Capital, Evolve and Americorp Group, "generating strong dollar returns." Aavishkaar had held the investment since Suryoday was founded in 2009. In 2015, Suryoday had received in-principle approval from Reserve Bank of India to function as a small finance bank (SFB), and these transactions bring Suryoday's foreign shareholding down to 49 percent, the maximum allowed for a SFB without special permission. Suryoday reports a gross loan portfolio of USD 160 million and 717,000 total customers. Apart from credit services, the institution conducts business skills and financial literacy training as well as health services including eye, dental and women's services. August 11, 2016

### Symbiotics Issues \$28m in Bonds for Lending in Asia, Costa Rica

Symbiotics Group, a Switzerland-based for-profit investment intermediary, recently informed MicroCapital that it has issued three local-currency bonds equivalent to: USD 12 million for Banco Improsa, a Costa Rican bank reporting 2015 net profit of USD 6.3 million and 130,000 depositors; USD 10 million for Mitra Bisnis Keluarga Ventura, an Indonesian microfinance institution with total assets of USD 94 million and 580,000 mostly rural clients; and USD 6.3 million for Armeconombank, an Armenian provider of micro- and traditional financial services with total assets of USD 241 million. August 8, 2016

### Symbiotics Raises \$20m for Indian, Sri Lankan Institutions

The Swiss for-profit Symbiotics Group recently informed MicroCapital that it has issued local-currency bonds equivalent to the following: USD 9 million for Fusion Microfinance of India; USD 7.5 million for Sri Lanka-based LOLC Micro Credit Limited (LOMC), the microfinance arm of Lanka Orix Leasing Company (LOLC); and USD 3.5 million for India's Saija Finance. The bond buyers have not been identified. Fusion reports a gross loan portfolio of USD 105 million and 526,000 active borrowers. LOMC reports total assets of USD 46 million, deposits of USD 275 million, return on assets of 3.7 percent and return on equity of 20 percent. LOLC is a unit of the Japanese conglomerate Orix. Saija reports USD 25 million in total assets, a gross loan portfolio of USD 20 million and 109,000 active borrowers. Neither Indian institution accepts deposits. August 4, 2016

## Business Planning with MICROFIN

<p>October 17-21, 2016 November 7-11, 2016 November 21-25, 2016 December 12-14, 2016</p>	<p>Washington DC London, United Kingdom Guatemala (Español) Advanced Webinar</p>
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## EAR TO THE GROUND

### ¡Reinventense! Un mensaje a las IMF en LAC

Este mes, asistí a la conferencia bianual de las microfinanzas en Nicaragua REDCAMIF. Con más de 850 participantes de América Central, el Caribe y otras regiones, la asistencia fue impresionante. Aún más impresionante fue el tema, Tecnología, Competitividad y la Inclusión Financiera. A pesar de que REDCAMIF continúe con orgullo llamándola una conferencia de microfinanzas, también reconoce que los vientos de cambio están llegando. La cuestión principal en el evento fue cómo las 134 instituciones de la red de REDCAMIF se adaptarán conforme el cambio tecnológico envuelva a la región.

Pero antes de juzgar si éstas IMF se han quedado demasiado atrás, hay que reconocer que mucha de la innovación en los servicios financieros inició en esta región. Burós de crédito, microcréditos individuales, sistemas de “scoring”, solicitudes de crédito en teléfonos inteligentes, y las innovaciones de procesos descentralizados nacieron en LAC. Tan sólo Brasil tenía más de 325,000 corresponsales bancarios en 2012 (de acuerdo con un estudio del IDB). En América Latina, un comerciante informal puede solicitar un préstamo de 10,000 dólares en un viernes por la mañana, recibir una llamada aprobando el préstamo esa noche, y comenzar a retirar dinero de un agente local (pulpería, etc.) el sábado, mientras que la IMF que ofrecía el préstamo mantiene su porcentaje de cartera vencida a 30 días debajo del 4%.

Tal vez este estado avanzado del mercado es la razón por la que la emoción sobre la innovación tecnológica en el evento fue templada. Se sintió sumida en contraposiciones. La eliminación del elemento humano puede reducir los costos de los préstamos, pero también puede socavar la calidad de la cartera (como muchas financieras comerciales en la región pueden dar fe). John Owens, un experto global en tecnología e inclusión financiera, compartió ejemplos de algoritmos que permiten a los mayoristas como Alibaba prestar de forma rápida y ubicua, sin embargo, la pregunta de Claudio González-Vega, el Presidente del Patronato de la Fundación BBVA MicroFinanzas, resonó. ¿Puede un

préstamo basado en el algoritmo en línea mantener la relación con el cliente sin menoscabar su disposición a pagar? John observó que los mensajes de texto (por SMS) pueden sustituir la relación y permitir la escalabilidad. Pero la mayoría de las IMF ya han reducido el tacto a una interacción de una sola vez entre el asesor y el cliente, ¿qué tan bajo (en cuanto al tacto) se puede llegar?

Si entran en cualquier sucursal en la mayoría de las IMF en la región, encontrarán colgada la ubicua pizarra blanca, con una matriz escrita a mano de los nombres de los oficiales de crédito y su desempeño en metas de colocación y mora crediticia. Todavía les queda espacio para aprovechar cambios disruptivos. Pero tal vez la innovación que hagan debe ser más de cosecha propia, en lugar de adoptar modelos ajenos de fintechs que todavía tienen que demostrar su caso de negocio, o plataformas móviles que solamente sustituyen las carencias en la infraestructura de transporte y bancaria en África. América Latina tiene el talento y las IMF atraen algunos de los mejores talentos en el sistema financiero en muchos países. Sin embargo, está desaprovechado. En el evento de REDCAMIF, sólo 5 instituciones invitaron a sus administradores de TI para escuchar lo que está sucediendo fuera de sus instituciones. Algunos gerentes admitieron tener miedo a la tecnología. La reticencia a la adopción de tecnología es prudente. Soy una defensora de la participación de profesionales con experiencia en los fundamentos del negocio de crédito y el riesgo en el contexto de los créditos al sector no estructurado. Sin embargo, es el momento de traer un poco de sangre joven, involucrar a los equipos de TI de forma más proactiva en las conversaciones de gestión, y empezar a modificar la industria antes de que sea la disrupción la sobrepase.

*About the Author: Ms Barbara Magnoni is President of EA Consultants, a development consulting firm based in New York. She has over 20 years of international finance and development experience and has worked with organizations including Goldman Sachs, Chase and BBVA and has advised institutions such as the International Finance Corporation, the US Agency for International Development and the International Labour Organization. She may be reached at +1 212 734 6461 or [bmagnoni\[at\]eac-global.com](mailto:bmagnoni[at]eac-global.com), or you may follow her on Twitter at [BarbaraatEA](#).*



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## EAR TO THE GROUND

### Disrupt Yourself! A Message to MFIs in LAC

This month, I attended REDCAMIF’s biannual microfinance conference in Nicaragua. With over 850 participants from Central America, the Caribbean and other regions, the attendance was impressive. Even more impressive was the topic, “Technology, Competitiveness and Financial Inclusion.” While the organizers proudly continue to call this a microfinance conference, they also understand that the winds of change are blowing. The main question at the event was how the 134 institutions of REDCAMIF’s network will fare as technological change engulfs the region.

But before judging whether these MFIs are failing to be adaptable, we must recognize that many innovations in financial services began in this region. Microfinance-only credit bureaus, credit-scoring systems, loan applications completed via loan officer’s smartphones and decentralized process innovations such as agent banking were born in LAC. Brazil alone had over 325,000 bank correspondents in 2012 according to one IDB study. An informal shopkeeper in Latin America can apply for a USD 10,000 loan on a Friday morning, receive a call approving the loan that evening and begin withdrawing money from a local shopkeeper or other agent on Saturday. All this while the microlender maintains its 30-day portfolio-at-risk ratio under 4 percent.

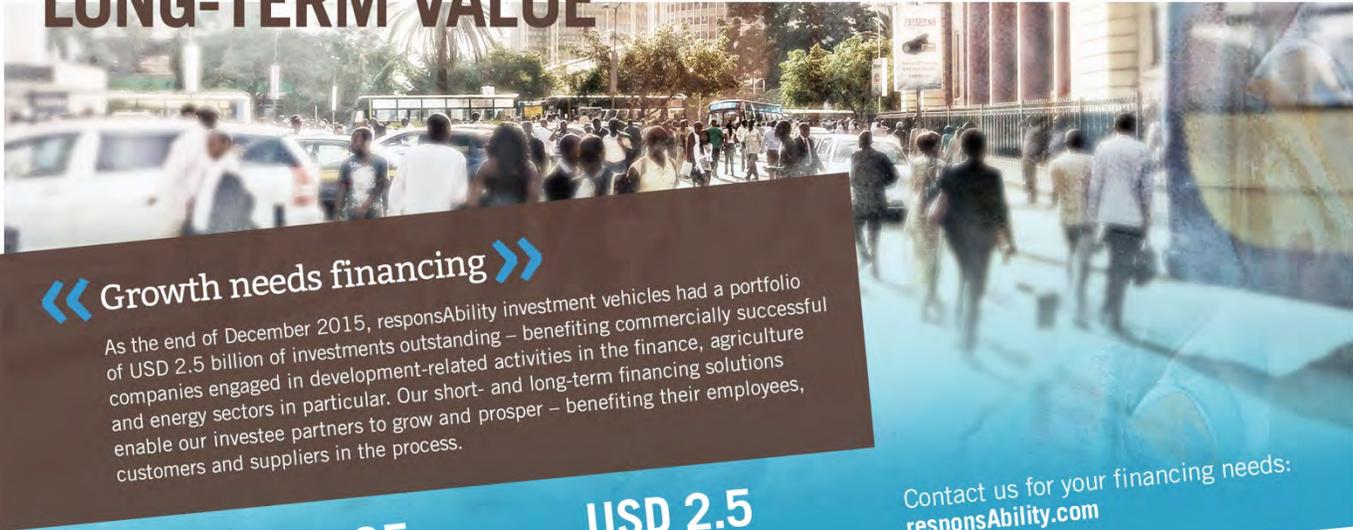
Perhaps this advanced state of the market is why the excitement about technological innovation at the event was not high. Instead, it felt mired in trade-offs. Removing the human element may reduce lending costs, but it can also undermine portfolio quality (as many Latin retailers can attest). John Owens, a global technology and financial inclusion expert, shared examples of backend algorithms that allow wholesalers like Alibaba to lend quickly and ubiquitously. However a question from

Claudio González-Vega, the Board chair of Fundación BBVA MicroFinanzas, resonated: Can an online, algorithm-based loan allow the lender to maintain enough of a relationship with the client to maintain his or her willingness to pay? John noted that SMS (text) messages can replace the relationship and drive scale. But most MFIs already have reduced touch to a one-time interaction between the loan officer and the client. How low (touch) can you go?

Walk into a branch at most MFIs in the region, and the ubiquitous whiteboard displays a hand-sketched matrix of loan officers, their loan and delinquency targets, and the institution’s performance. There is no doubt that MFIs could benefit from some disruption. But perhaps innovation should be more home-grown, rather than based on fintechs that have yet to prove their business case or on mobile platforms that mostly substitute for failing banking and transportation infrastructure in Africa. Latin America has talent, and MFIs attract some of the best in the financial system. Yet this talent goes underexploited. At this event, only five institutions brought their IT managers to hear what’s happening outside of their institutions. Managers admit they are afraid of technology. Although a certain reticence to technology adoption is prudent, it’s time to bring in some young blood and engage IT teams proactively in management conversations. Although I am an advocate for keeping managers around who understand the business fundamentals of credit and risk in the context of informal-sector lending, it is time to disrupt this industry before it gets disrupted.

*About the Author: Ms Barbara Magnoni is President of EA Consultants, a development-consulting firm based in New York. She has over 20 years of international finance and development experience and has worked with organizations including Goldman Sachs, Chase and BBVA and has advised institutions such as the International Finance Corporation, the US Agency for International Development and the International Labour Organization. She may be reached at +1 212 734 6461 or [bmagnoni\[at\]eac-global.com](mailto:bmagnoni[at]eac-global.com), or you may follow her on Twitter at [BarbaraatEA](https://twitter.com/BarbaraatEA).*

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# MICROCAPITAL MARKET INDICATORS TAJIKISTAN

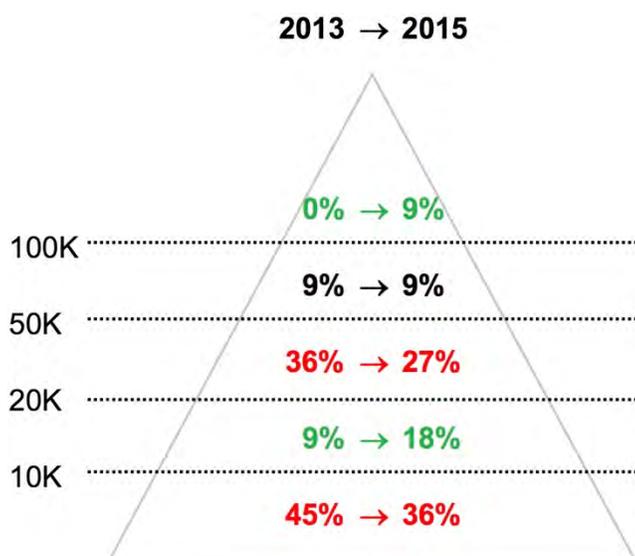


10 MICROFINANCE INSTITUTIONS (MFIs) REPORTING<sup>1</sup>

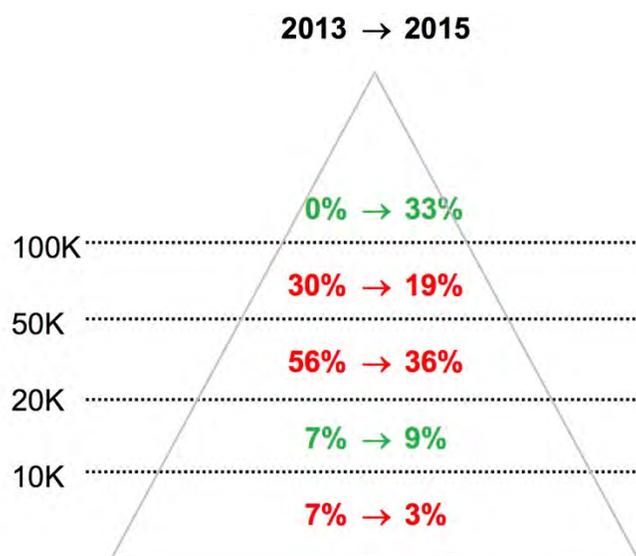
## MFIs BY GROWTH IN GROSS LOAN PORTFOLIO: CHANGE IN USD

MFI NAME	AVERAGE ANNUAL USD INCREASE	AVERAGE ANNUAL % INCREASE	2013	2015
Bank Eshkata	5,034,604	4%	122,594,076	132,663,284
FINCA Tajikistan	3,974,221	16%	22,840,293	30,788,736
Imon International	3,879,179	4%	101,400,238	109,158,596
Microloan Organization Humo & Partners	1,276,495	4%	28,005,629	30,558,618
Microloan Deposit-taking Organization Arvand	366,339	1%	30,543,924	31,276,602
Microcredit Foundation MicroInvest	(15,611)	(5%)	312,832	281,610
Microloan Organization Mehnatobod	(97,524)	(26%)	435,929	240,882
Furuz	(248,805)	(17%)	1,641,650	1,144,040
First MicroFinance Bank of Tajikistan	(1,300,812)	(3%)	41,839,119	39,237,495
AccessBank Tajikistan	(6,043,762)	(17%)	39,154,143	27,066,620

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



**MARKET SHARE BY MFI SIZE  
(NUMBER OF ACTIVE BORROWERS)**



<sup>1</sup>Denotes only MFIs that reported data for 2013 and 2015 to the Microfinance Information Exchange (MIX) Market

Source: MIX, August 2016



# Vision Microfinance: Social Impact Investing

Vision Microfinance is an appeal to combat poverty in a meaningful and sustainable way. So far 721 m USD have been distributed in the form of 663 promissory notes to 263 microfinance institutions in 56 countries. Thanks to our investors, the lives of over 1 m people in developing countries have been transformed.

Vision Microfinance allows private and institutional investors to participate in the „fast-growing“ microfinance industry. Investors benefit from the extensive asset management expertise of C-QUADRAT Asset Management, which works in close partnership with microfinance specialist Symbiotics, a market research expert in sustainable investments. This unique cooperation of fund manager and research team yields innovative microfinance solutions: **Vision Microfinance**.

[www.visionmicrofinance.com](http://www.visionmicrofinance.com)



C-QUADRAT Asset Management GmbH, Schottenfeldgasse 20, 1070 Vienna | Phone: +43 1 515 66-0 | [www.c-quadrat.com](http://www.c-quadrat.com)

**Leveraging on Alternative Delivery Channels (ADC) is key to achieving cost-effectiveness and greater outreach.**

Fern's ADC integration capabilities enable inclusive financial institutions to connect to established mobile money services, ATM networks and mobile devices to increase outreach and improve efficiency.

**TOTAL BANKING SOLUTIONS**  
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[www.fernsoftware.com](http://www.fernsoftware.com)

## UPCOMING EVENTS

### International Investors Conference NEW DATES

September 6 - September 8, 2016; Accra, Ghana

This conference will focus on networking among microfinance institutions, investors, apex bodies and policymakers in West Africa. The fee to attend is USD 500, although fund managers may attend at no charge. For further details, you may email [godfrey\[at\]financialinclusionadvocacy.org](mailto:godfrey[at]financialinclusionadvocacy.org), visit <http://www.financialinclusionadvocacy.org>, or call +44 (0) 1474 330 730 or +233 (0) 307 037878.

### Social Capital Markets 2016

September 13 - September 16, 2016; San Francisco, CA, USA

This event covers impact investing in sectors such as agriculture, clean energy, improving urban areas and “neighborhood economics.” The registration fee is USD 1505. For additional details, you may visit <http://socap16.socialcapitalmarkets.net/> or email [info\[at\]socialcapitalmarkets.net](mailto:info[at]socialcapitalmarkets.net). No telephone number is offered.

### Sa-Dhan's National Conference

September 14 - September 15, 2016; New Delhi, India

The conference provides a platform to explore policy formulation, innovation and collaboration within the financial inclusion sector. Registration costs USD 500 for international delegates and INR 8,000 for local attendees, with various discounts offered. For more details, you may email [conference\[at\]sa-dhan.org](mailto:conference[at]sa-dhan.org), visit <http://www.sa-dhan.net/Resources/Sa-Dhanconference2016> or call +91 11 47174400.

### Fourth International Conference on Sustainable Development

September 16 - September 17, 2016; Rome, Italy

One of the three foci of this event is “Economic Sustainability,” which includes microfinance as well as small and medium-sized enterprise. Registration for the event costs EUR 300. For more information, you may call +39 0692958486, email [conference\[at\]ecsdev.org](mailto:conference[at]ecsdev.org) or visit <http://www.ecsdev.org/index.php/conference/2015-08-29-07-38-20>.

### 2016 SEEP Network Annual Conference

September 19 - September 21, 2016; Arlington, Virginia, USA

Themed “Expanding Market Frontiers,” this event will cover enhancing food security, integrating marginalized populations into financial markets, and enabling market development in fragile and conflict-affected environments. While there is no fee to attend the first day of the event, registration for the last two days costs USD 1,200. Discounts are offered to SEEP members and all who register by September 9. For more information, you may email [annualconference\[at\]seepnetwork.org](mailto:annualconference[at]seepnetwork.org), visit <http://www.seepnetwork.org/annual-conference-pages-20008.php> or call +1 202 534 1400.

### Global SME Finance Forum 2016

September 19 - September 21, 2016; Beijing China

This event will bring together representatives from banks, financial technology companies and development finance institutions to explore innovations and opportunities in small-business finance. The standard registration fee is USD 800, with fintech expo booths offered at USD 2,000. For more information, you may call +1 202 458-4286, email [nafirin\[at\]ifc.org](mailto:nafirin[at]ifc.org) or visit <http://www.globalsmefinanceforum.org/2016/>.

### Global Symposium on Innovative Financial Inclusion

September 21 - September 22, 2016; Kuala Lumpur, Malaysia

With the theme “Harnessing Innovation for Inclusive Finance,” this event will discuss financial inclusion initiatives that can be scaled up globally in a responsible and sustainable manner. There is no fee to register. For additional information, you may call +1 202 473 1000, email [GSIFI2016\[at\]worldbank.org](mailto:GSIFI2016[at]worldbank.org) or visit <http://worldbank.org/en/events/2016/09/22/innovative-financial-inclusion-symposium#1>.

### Islamic Microfinance Summit

September 26 - September 27, 2016; Dubai, UAE

This conference will cover topics in Islamic finance, which excludes the charging of conventional interest, such as zakat, social networks, regulation, technology, crowdfunding, and financing small and medium-sized enterprises. The registration fee is EUR 990. More details may be found by visiting <http://www.uni-global.eu/en/event/2016-207>, emailing [events\[at\]uni-global.eu](mailto:events[at]uni-global.eu) or calling +420 226 538 100.

### Global Youth Economic Opportunities Summit

September 27 - September 30, 2016; Washington, DC, USA

This event is intended to foster learning and action in order to “increase the impact, scale and sustainability of youth economic opportunity programming, policies and partnerships.” Sessions will cover workforce development; enterprise development; financial inclusion; gender issues; and monitoring, evaluation and research. Registration for the event costs USD 895. For more details, you may contact the organizers via +1 202 783 4090, [summit\[at\]makingcents.com](mailto:summit[at]makingcents.com) or <http://www.youtheosummit.org/>.

### The MasterCard Foundation Symposium on Financial Inclusion

October 19 - October 21, 2016; Kigali, Rwanda

This symposium will focus on educating service providers about the financial lives of poor people in an effort to enable them to deliver products that are more appropriate to client needs. The event will include workshops, plenary sessions and the presentation of the 2016 “Clients at the Centre” prize, which includes a cash award of USD 150,000. Attendance to this event is by invitation only, but you may visit <http://mastercardfdnsymposium.org/>, call +1 416 214 2857 or email [info\[at\]mastercardfdn.org](mailto:info[at]mastercardfdn.org) for more information.

### XIX Foromic

October 24 - October 26, 2016; Montego Bay, Jamaica

The topics to be covered at this conference include start-up accelerators, financing alternative agriculture sectors and climate finance. The fee to attend is USD 600 per person. For more information, you may email [Clarisa.Pelayo.Salcido@clarisa.pelayo\[at\]mgoevents.com](mailto:Clarisa.Pelayo.Salcido@clarisa.pelayo[at]mgoevents.com), call +1 202 623 1000 or visit <http://www.fomin-events.com/foromic/2016/web/en-index.php>.

### Microfinance and Microentrepreneurship: A Global Perspective

October 26 - October 27, 2016; Sonapat, India

This conference will address issues related to microentrepreneurship and financial inclusion within India and abroad, such as poverty reduction, generating employment and skill development. The standard registration fee is USD 150, with various discounts available. For more information, you may call +91 1263 283036, download <http://www.bpswomenuniversity.ac.in/pdfnews/b313077f9cac-4e42-b799-390dcf189e9c.pdf>, or email [surendermor71\[at\]gmail.com](mailto:surendermor71[at]gmail.com) or [Anjurani.bps\[at\]gmail.com](mailto:Anjurani.bps[at]gmail.com).

### 6th Annual Central Asian & Caucasus Microfinance Forum

October 27 - October 28, 2016; Bishkek, Kyrgyzstan

This forum will address strategies for taking advantage of fast-changing environments, focusing on facilitating credit flow from micro-lenders to their clients to promote sustained economic development. The fee to attend is EUR 990. For more information, you may email [registration\[at\]uni-global.eu](mailto:registration[at]uni-global.eu), visit <http://uni-global.eu/en/event/2016-208> or call +420 226 538 101.

### Sanabel's 2016 Conference

November 1 - November 2, 2016; Casablanca, Morocco

This agenda will examine regulation, partnerships and various case studies. Registration costs USD 750, and you may access more details by visiting <http://sanabelconf.org>, calling +20 2 25 37 30 23 or emailing [conference2016\[at\]sanabelnetwork.org](mailto:conference2016[at]sanabelnetwork.org). 

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Combinamos la investigación y la práctica para que nuestro trabajo sea informado por un entendimiento tanto de las fuerzas de mercado como de las necesidades de los clientes. Nuestro objetivo es de liderar nuevas ideas y prácticas que pueden ser transformativas para beneficiar a todos los segmentos de la sociedad.



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*Increasing operational efficiencies*

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**PAPER WRAP-UPS**

**Finance for Smallholders: Opportunities for Risk Management by Linking Financial Institutions and Producer Organisations**

By J de la Rive Box, et al; published by the Food & Business Knowledge Platform, Agri Pro Focus and the Platform for Inclusive Finance; May 2016; 22 pages; available at: <http://www.inclusivefinanceplatform.nl/documents/nfm%20summary%20report%20finance%20for%20smallholders.pdf>

The authors of this paper analyze financial instruments used in 14 projects in Ethiopia, Mali, Rwanda and Uganda, identifying three modalities: (1) pre-harvest finance for smallholders; (2) a two-tiered system that also includes post-harvest finance for buyers of produce; and (3) agricultural value chain finance. As a result, they recommend: (1) risk management be viewed as a shared responsibility of the producer organization and the financial institution; (2) crop insurance, agricultural price hedging and commodity exchanges should be accessed; (3) “farmers’ organizations are vital for exploiting the full potential of risk management in smallholder agriculture;” (4) “microfinance and small and medium-sized enterprise (SME) finance are linked;” (5) a more intensive role for financiers can lower loan defaults; and (6) “it is crucial to plan and budget for a facilitator’s role.”

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**Women-owned SMEs in Indonesia: A Golden Opportunity for Local Financial Institutions**

By R Japhta, et al; published by the International Finance Corporation; March 2016; 79 pages; available at: [http://www.ifc.org/wps/wcm/connect/677906e9-398d-45c1-8f8784e503292f50/SME+Indonesia+Final\\_Eng.pdf?MOD=AJPERES](http://www.ifc.org/wps/wcm/connect/677906e9-398d-45c1-8f8784e503292f50/SME+Indonesia+Final_Eng.pdf?MOD=AJPERES)

The authors calculate that women-owned small and medium-sized enterprises in Indonesia face a financing shortfall of USD 6 billion due to: (1) banks hesitating to lend money to women because they often lack collateral; and (2) women often finding banking procedures so onerous that they opt out of applying for credit.

**Social Performance Report 2015, Measuring What Matters**

Published by BBVA Microfinance Foundation, May 2016, 152 pages, available at: <http://mfbvva.org/informe-2015/en/>

The seven microfinance institutions affiliated with Fundación BBVA (Banco Bilbao Vizcaya Argentaria) MicroFinanzas have documented that 32 percent of their “poor” and “extremely poor” clients began generating income above the poverty lines set by their respective countries within a two-year period.

As of December 2015, the network had total assets of USD 1.1 billion, serving 1.7 million clients, out of whom 61 percent were women and 30 percent were from rural areas. 🇺🇸

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16th - 18th November 2016  
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