

## MICROCAPITAL BRIEFS | TOP STORIES

### Equator Buys Minority Stake in Kenya's Jamii Bora

Please see page 4 for coverage of this "MicroCapital Deal of the Month."

### Denmark Launches \$75m Nordic Micro-financing Initiative

The Investment Fund for Developing Countries, which is owned by the government of Denmark, recently launched the Nordic Micro-financing Initiative, which is slated to raise the equivalent of USD 75 million, 45 percent of which would come from private investors. The fund will operate in Africa and Asia with the aim of giving women "an opportunity to invest their way out of poverty, inequality and bleak future prospects." June 30, 2016

### Bandhan Sells \$474m in Microloans to HDFC, IDBI, Yes Banks

Bandhan Bank, an Indian commercial provider of microfinance services, recently sold the equivalent of USD 474 million in "priority sector loans to more experienced private sector rivals to help them meet lending targets." India requires banks to invest certain percentages of their holdings in "priority" sectors such as agriculture. The transaction was made via sales of "inter-bank participation certificates" to India's HDFC Bank, IDBI Bank and Yes Bank. Bandhan reports a loan book of USD 1.5 billion and 2,000 branches. Deposit numbers are not available, as the institution only began accepting deposits in 2015. June 26, 2016

### Cambodian Microbank Sathapana Borrows \$35m

Cambodia's Sathapana Bank recently borrowed USD 35 million from seven lenders through Taiwan's First Commercial Bank. Sathapana CEO Bun Mony said, "The Taiwanese have confidence in Sathapana Bank Plc, and this loan will support the bank to expand its commercial operations to more clients and also fulfill its mission as a [microfinance institution]. First Commercial Bank has previously issued smaller loans, around USD 5 million, but this is the first time for such a large syndicated loan size...". Sathapana reports total assets of USD 539 million, a gross loan portfolio of USD 470 million, deposits of USD 260 million, 113,000 active borrowers and 128,000 active depositors. June 21, 2016

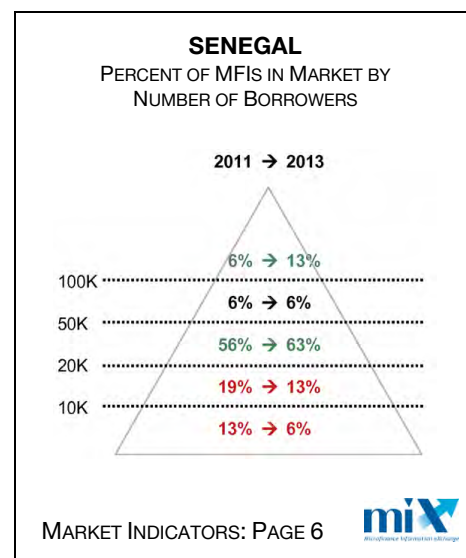
### Kenya's Sidian, Zohari to Finance Uber Drivers' Vehicles

Kenya's Sidian Bank and Zohari Leasing are rolling out products for drivers that acquire customers via Uber, a US-based car hailing service. While details of the leasing option are not available, Sidian will offer three-year loans with annual interest rates of 10.5 percent for 100 percent of the vehicles' values. To be eligible, drivers need to complete 500 trips for Uber with an average customer rating above 4.6 out of 5. Drivers not meeting this requirement can apply for Sidian's conventional finance program, which funds up to 90 percent of the vehicle price. Sidian reports total assets of USD 189 million. June 6, 2016

### IDB Approves \$120m Loan for Chile for Factoring, Co-ops, Leasing

The Inter-American Development Bank, a US-based multilateral institution, recently approved a loan of USD 120 million to the Chilean government to finance micro-, small, and medium-sized enterprises (MSMEs). The loan is parceled as follows: (1) USD 50 million for factoring to "fund eligible entities that neither belong to nor are associated with banks"; (2) USD 50 million for on-lending to financial cooperatives; and (3) USD 20 million for "leasing companies that neither belong to nor are associated with a bank to help them finance MSMEs..." Factoring is an arrangement whereby a company sells future goods or services at a discount in return for immediate cash. May 31, 2016

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## MICROCAPITAL BRIEFS

### GCAMF Loans \$750k in Burkina Faso, Zambia

The Grameen Credit Agricole Microfinance Foundation (GCAMF), a Luxembourg-based provider of financial services to microfinance institutions, recently informed MicroCapital that it is loaning the local-currency equivalent of USD 422,000 over three years to the Association Inter Instituts Ensemble et Avec (ASIENA), a health and financial services provider established by religious women's groups in Burkina Faso, and USD 333,000 to Agora Microfinance Zambia (AMZ), an affiliate of UK-based Agora Microfinance that serves low-income rural households. As of 2012, the latest data available, ASIENA reported a gross loan portfolio of USD 1.6 million, deposits of USD 957,000 and 12,000 customers. AMZ, which does not accept deposits, has total assets of USD 910,000, a gross loan portfolio of USD 703,000 and 10,300 active borrowers as of 2015. One year earlier, it reported return on assets of -103 percent. June 30. 2016

### ABN Amro Participates in Launch of FMO Privium Impact Fund

Three Dutch institutions, development bank Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (FMO), Algemene Bank Nederland (ABN) Amro, and fund manager Privium, recently announced the launch of the FMO Privium Impact Fund. This entity will offer ABN Amro's private banking clients the opportunity to participate in FMO's lending to private sector companies in developing countries. Solange Rouschop, ABN Amro's Global Head of Investment Services and Sustainability, added, "The FMO Privium Impact Fund is a solution from which clients can expect both financial and social returns, with regular liquidity." The impact of the fund, which has a target size equivalent to USD 222 million, will be measured in terms financial returns, job creation and the reduction of greenhouse gas emissions. June 29. 2016

### GCAMF Loans \$2.7m in Kosovo, Kyrgyz Republic

The Grameen Credit Agricole Microfinance Foundation, a Luxembourg-based funder of microfinance institutions (MFIs), recently informed MicroCapital that it has loaned the local-currency equivalent of USD 2.2 million to Kreditimi Rural I Kosoves (KRK), a Kosovo-based MFI that serves farmers and other rural microentrepreneurs. It also loaned USD 500,000 to First MicroCredit Company (FMCC), a Kyrgyzstan-based unit of Switzerland's Aga Khan Agency for Microfinance. KRK reports total assets of USD 16 million, a gross loan portfolio of USD 15 million and 7,700 borrowers. FMCC reports total assets of USD 11 million, a gross loan portfolio of USD 9.5 million and 15,000 active borrowers. Neither MFI accepts deposits. June 28. 2016

### Text Messages Reduce Delinquency Rates in Senegal

Développement international Desjardins (DiD), a unit of Canada's cooperative Desjardins Group, recently launched a pilot program with financial cooperatives who use the Centre de traitement informatisé du Sénégal, a data processing center established by DiD. The program delivers borrowers overdue, payment, penalty and transfer notices via SMS (short message service) text messages. As a result of the service, DiD reports reduced delinquency rates and fewer fees incurred, resulting in increased client savings. June 28. 2016

### EBRD Loans \$5.7m to Cut Home Energy Use in Bulgaria

The UK-based European Bank for Reconstruction and Development recently loaned USD 5.7 million to United Bulgarian Bank, an arm of the National Bank of Greece, to invest in the energy efficiency of residential buildings in Bulgaria. United Bulgarian reports USD 3.8 billion in total assets, and the National Bank of Greece reports total assets of USD 114 billion. June 25. 2016

### Kafo Jiginew Offers "Input Savings" Vouchers for Farmers in Mali

Développement international Desjardins (DiD), a unit of Canada's cooperative Desjardins Group, recently partnered with Kafo Jiginew, a microfinance institution in Mali to introduce a savings plan for small-scale farmers. At harvest time, customers deposit money in the account, and a portion is "frozen" in return for a voucher that they can use at a later date to purchase pesticides that are safer for both users and the environment. Retailers that accept the vouchers can redeem them for cash through Kafo Jiginew. The microbank reports the equivalent of USD 70 million in total assets and 375,000 customers. June 24. 2016

### Orange Money Connects France, West Africa

Orange, a France-based telecommunications company, recently expanded "Orange Money," a mobile money service used by 18 million people in 14 African countries, to allow customers in France to transfer money electronically to Côte d'Ivoire, Mali and Senegal. The fees range from the equivalent of USD 3 to USD 9 for transactions as large as USD 450. Orange Money has 41 points of sale in France and 30,000 in Côte d'Ivoire, Mali and Senegal. Orange reports annual sales of USD 45 billion from a customer base of 252 million. June 20. 2016

### Zambian Law Promotes Leveraging of SMEs' Movable Collateral

With support from the World Bank Group's International Finance Corporation, Zambia recently passed the "Personal Property Security Interest Act," with the intent of allowing small and medium-sized enterprises (SMEs) to use movable collateral such as equipment, machinery and inventory to access loans. By 2020, supporters of the law hope it will "generate USD 2 billion in financing to firms and benefit 6,500 SMEs, 1,200 microenterprises, and 1,200 women entrepreneurs." Elaine MacEachern, who serves as a Global Specialist in Secured Transactions and Collateral Registries for the World Bank Group, said, "To ensure this framework is complete, we must...build an online personal property security registry system." June 19. 2016

### EBRD Syndicating \$21m Loan for Belarusky Narodny of Belarus

The European Bank for Reconstruction and Development, a UK-based multilateral institution, recently announced its intent to arrange a "senior unsecured syndicated A/B loan" of USD 21 million to be on-lent to micro-, small and medium-sized enterprises via Belarus's Belarusky Narodny Bank. The senior tranche of USD 5 million would be funded by EBRD, and a junior tranche of USD 16 million is to be raised from third parties. Belarusky Narodny is controlled by the Bank of Georgia Group, which reports USD 406 million in assets. June 15. 2016

### Ericsson Designs E-wallet to Serve Disaster Victims

Ericsson, a Swedish telecommunications company, recently announced an "Emergency Wallet" system intended to "enable the distribution and use of digital funds by relief workers and impacted populations, which can help address issues such as safety, expense, and traceability that are associated with handling cash." Ericsson reports USD 34 billion in total assets. June 14. 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!

### EIB Pledges Venture Capital to Microfinance in MENA

The European Investment Bank, the long-term lending institution of the European Union, recently pledged to create a venture capital scheme to support microfinance in Algeria, Egypt, Jordan, Lebanon, Morocco, Palestine and Tunisia. The aim is to engage other government and private investors to fund venture capital vehicles, private equity funds, microfinance institutions and microfinance investment vehicles to enable these entities to work with small and medium-sized enterprises (SMEs), with priority given to those expected to create the most jobs, especially for young people. The first beneficiary will be an undisclosed Egyptian fund. Christian Lopez-Baillo, an investment officer at EIB, stated "the Southern Mediterranean banks, finance institutions and large companies do not risk their money on projects carried by SMEs. By becoming a shareholder in these small companies, via investment funds, we allow them to grow and to access private funding and at the same time provide reassurance for the investors." June 9, 2016

### Incofin, DWM Funds Place \$4m in Georgia's Crystal

The Agricultural Rural Impulse Fund (agRIF) and the Inclusive Finance Equity Fund II (IFEFE) recently paid a total equivalent to USD 4 million to acquire stakes of undisclosed size in Georgia's Microfinance Organization Crystal. AgRIF, which is managed by Belgium's Incofin Investment Management, and IFEFE, which is managed by US-based Developing World Markets, will own 38 percent and 13 percent of Crystal, respectively. While IFEFE's new shares add to its previously existing stake, agRIF is a new investor in Crystal and is augmenting its commitment with the purchase of additional shares from unspecified investors. Crystal has total assets of USD 48 million, a loan portfolio of USD 39 million, return on assets of 5.8 percent, 420 employees and 30 branches. June 8, 2016

### IFC Lends Burgan Bank \$60m for SMEs in Turkey

The International Finance Corporation (IFC), a member of the World Bank Group, recently announced it has loaned USD 60 million to the Turkish subsidiary of Kuwait's Burgan Bank Group to increase access to finance for small and medium-sized enterprises in Turkey. Manuel Reyes-Retana, the Regional Industry Head of IFC's Financial Institutions Group, stated that "Financial institutions like Burgan Bank can play a significant role in expanding resources to these businesses so they can innovate, create jobs and tap into global markets." Burgan Bank reports total assets equivalent to USD 3.6 billion, 1,000 employees and 56 branches. June 8, 2016

### India's SKS Changes Name to Bharat

SKS Microfinance, a for-profit microlender headquartered in Hyderabad, India, recently announced it will change its name to Bharat Financial Inclusion. Observers have associated the move with continued efforts to shed the stigma of the downturn in the microfinance industry in the state of Andhra Pradesh that began in 2010. SKS recently reported a quarterly profit, excluding subsidiaries, equivalent to USD 12 million, twice the amount of the same period one year earlier. Its revenue and gross loan portfolio were also up by lesser percentages. SKS reports total assets of USD 1 billion and USD 771 million in loans outstanding. June 8, 2016

### "Rwanda Interconnect Switch" to Facilitate Mobile Money

Ericsson, a Swedish communications technology firm, recently signed an agreement with the Rwandan Ministry of Finance and Economic Planning to launch a national interoperability switch. This is meant to allow banks, microfinance institutions and money transfer firms to perform real-time transactions, offering customers seven-day-per-week access to a greater range of digital payment options. June 7, 2016



**Grameen, Ideas42 Seek to Influence Behavior in the Philippines**

Two US-based nonprofits, the microfinance-oriented Grameen Foundation and behavioral design firm ideas42 are partnering on an effort to support financial inclusion in the Philippines using behavioral science principles, with funding from the JPMorgan Chase Foundation, the charitable arm of the US-based financial services company. Ideas42 will work with microfinance organizations to improve their products and encourage people to open accounts through “behaviorally-informed” strategies. One example is a “savings calendar” that allows people to see their savings grow over time, which can help develop the habit of making regular savings deposits. The Grameen Foundation will recruit the owners of “sari-sari stores” to build a network of mobile money agents to increase the usage of mobile phone-based financial services. June 6. 2016

**C-Quadrat Funds Loan \$10m in Asia, South America, Zimbabwe**

Austria's C-Quadrat Asset Management GmbH recently issued loans worth the equivalent of USD 9.6 million via its two Dual Return Funds to unspecified microfinance institutions (MFIs) in Bolivia, Cambodia, Columbia, Ecuador, India, Indonesia, Paraguay and Zimbabwe. USD 2 million of this total was invested in an MFI based in Phnom Penh, Cambodia, that has 181 service points, primarily in rural regions of the country. Financial information on the organization is not available. C-Quadrat Asset Management GmbH is an Austria-based provider of investment services in the field of microfinance. The firm's Dual Return Fund-Vision Microfinance and Dual Return Fund-Vision Microfinance Local Currency were created in 2006 and report combined assets of USD 286 million. C-Quadrat Asset Management is a unit of Austrian fund group C-Quadrat, which manages assets equivalent to USD 5.9 billion. June 3. 2016

**Equator Buys Minority Stake in Kenya's Jamii Bora**


Through its ShoreCap II fund, US-based Equator Capital Partners recently paid an undisclosed sum to acquire a minority interest in Jamii Bora Bank Limited, a Kenyan commercial bank primarily serving borrowers and savers with low incomes. ShoreCap II, which is domiciled in Mauritius, focuses on investing in small-business banks and micro-finance institutions. The fund has committed capital of USD 80 million. Jamii Bora reports assets equivalent to USD 169 million and pre-tax annual profits of USD 400,000. June 2. 2016

**Fairassets Sells Equity to Investors Including JM, Aarin, M&S**

JM Financial Limited, a financial services firm in India, recently announced that it has paid an undisclosed price to acquire a 10-percent equity stake in Fairassets Technologies, an Indian “peer-to-peer” lending company. Fairassets operates Faircent, a website and mobile application that connects individuals to borrow from and lend to each other without the intervention of traditional financial institutions. JM's investment is part of Fairassets' Series A funding round, which also attracted investments of undisclosed size from sources including Aarin Capital, an Indian venture capital firm, and M&S Partners, a Singapore-based fund, both of which had previously invested in the firm. Faircent has 6,000 lenders and 25,000 borrowers. June 1. 2016

**MoneyGram Expands in Equatorial Guinea**

MoneyGram International, a US-based money transfer company, recently expanded its operations in Equatorial Guinea, launching services at all 15 locations of Banco Nacional de Guinea Ecuatorial (BANGE), a government-controlled bank. MoneyGram reports USD 1.45 billion in annual revenue and offers its services via 350,000 agent locations in 200 countries. BANGE serves 80,000 customers via branches in seven cities. May 31. 2016



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## SPECIAL REPORT

*This interview is part of a sponsored series on European Microfinance Week, which will be held from November 16 through November 18 by the European Microfinance Platform (e-MFP), a 125-member network located in Luxembourg. MicroCapital has been engaged to cover the event on-site.*

### Rural Outreach and Innovation Action Group

*MicroCapital: Why is it important to serve rural markets?*

Marina Kortenbusch: In most emerging economies, the rural sector employs a large share of the working population. Developing rural markets is an effective way to boost prosperity by increasing the incomes of individuals whilst also contributing to food security, reducing environmental impact and increasing exports.

*MC: What are some key differences between rural and urban markets?*

MK: The incomes of many rural residents fluctuate with the seasons and are more exposed to weather conditions and natural disasters than those of their urban counterparts. This elevates the importance of insurance products tailored to meet their needs. These can help stabilize incomes and encourage investment in business growth.

*MC: What is new in product design for agricultural producers?*

MK: Value chain finance has provided a fresh approach to supporting farmers. This is achieved by working in coordination with stakeholders such as processors, distributors and financial institutions to provide credit to farmers indirectly. For example, farmers may rent space to store their product until prices increase but pay the rental cost only after

selling the product. Or financial institutions can provide credit to agricultural input suppliers to allow farmers to pay for seeds, fertilizer and pesticides over time. Non-financial services such as artificial insemination and agricultural technologies can also be incorporated.

*MC: How will the Rural Outreach and Innovation (ROI) Action Group contribute to European Microfinance Week?*

MK: During the pre-conference day, Action Group members will present their rural development initiatives and highlight both implementation challenges and successful adaptations to local circumstances. During the main conference, members will take a global perspective, showcasing recent innovations in the development of rural markets. This session will include an examination of combining financial and non-financial services as well as an exploration of the advantages and challenges of value chain finance.

*MC: What do you foresee for the future of rural finance?*

Josien Sluijs: We can only serve rural areas with technological innovation; otherwise it simply is too costly. Worldwide, we have about 2 billion people still to reach, and a large number of these people live in rural areas. All ten of e-MFP's Action Groups support actors in inclusive finance to work toward the UN's Sustainable Development Goals, of which several are related to serving rural areas.

*Marina Kortenbusch, who serves as Head of e-MFP's ROI Action Group, is the Managing Partner of Switzerland's Business and Finance Consulting. Josien Sluijs is an e-MFP board member and Director of the Netherlands' Platform for Inclusive Finance, which is also a member of the ROI Action Group.*

## EUROPEAN MICROFINANCE WEEK 2016

16<sup>th</sup> - 18<sup>th</sup> November 2016 - Abbaye de Neumünster, Luxembourg



“Excellent opportunities to make interesting new contacts”

“The best microfinance conference in the sector, fantastic networking opportunities and really nice atmosphere”

“It was great on all fronts: sessions, speakers, logistics”



## EAR TO THE GROUND

### Payday Loans: Smaller Payments, Longer Terms Can Still Be Debt Traps

On June 2, the US Consumer Financial Protection Bureau (CFPB) proposed a rule targeting the payday loan industry that “*would require lenders to determine whether borrowers can afford to pay back their loans.*” While it seems sensible for a lender to make sure that a borrower can repay his or her loan, this idea is becoming quite old fashioned, not least because it is very hard to do with the tools available to many “low-touch” lenders such as fintech providers and retail outlets. In the US, both online and brick-and-mortar payday loan companies work from little more than a credit score and prior paycheck - although this is a lot compared to some online lenders who only use a credit score and a list of your friends or online purchases.

The motivation for this proposal is powerful. According to CFPB, almost 70 percent of payday borrowers take out a second loan within a month, and 20 percent take out 10 or more loans. For similarly structured auto-title loans, 11 percent of borrowers end up losing their vehicles. CFPB’s move highlights the seriousness of this issue, how damaging it is to many Americans. These short-term loans become debt traps.

The details of the proposal, however, feel downright antiquated. A key recommendation is that any loan refinancing would have to offer lower payment installments (and thus longer terms). The CFPB report consistently calls smaller payments over longer terms “less risky.” Yet in my experience, they can be *very* risky for both borrowers and lenders, particularly if interest rates stay the same. In Latin America, I have seen clients’ microfinance loan balances creep up, with clients asking for more time to pay to keep installments manageable. But this leads to a new

kind of debt trap related to a mismatch between sources and uses. The term of the refinanced loan becomes so disconnected from the usage of the loan that it no longer feels relevant. If people forget why the loan mattered, they are more likely to decide that paying it back is not too important, which is bad for lenders. And they are more likely to encounter new expenses to fund, which leads them to multiple borrowing, a bad move for borrowers and lenders alike.

Over the past few months, we have been interviewing homeowners facing mortgage crises here in the US. One cost of pushing loan terms out is that some maturities extend into clients’ retirement. Once borrowers hit a fixed income, it becomes almost impossible for them to cover the installments negotiated when they were of working age, and default looms.

According to the Pew Center, 76 percent of Americans say today’s payday loans are not fair, but believe they could be if loan installments were capped at 5 percent of net income (after expenses). The only way to do that is to slash interest rates. That might require a lender to learn quite a bit more about its customers to perform a proper credit analysis that considers household income, debt and other expenses. Could CFPB be setting the stage for old-fashioned banks to take some market share back from payday and online lenders?

*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 SENEGAL

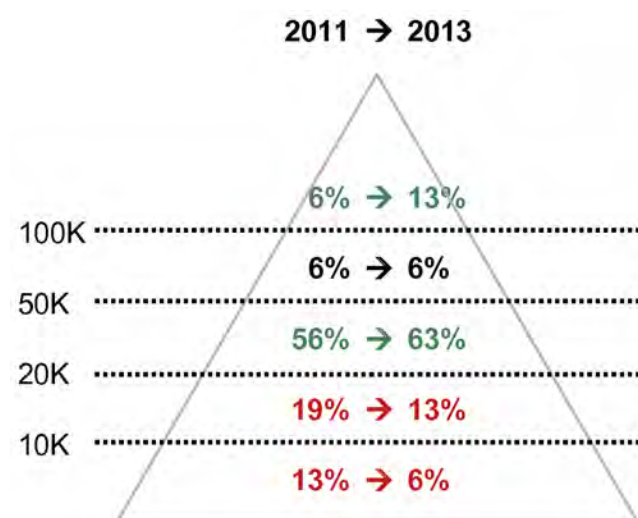


15 MICROFINANCE INSTITUTIONS (MFIs) REPORTING\*

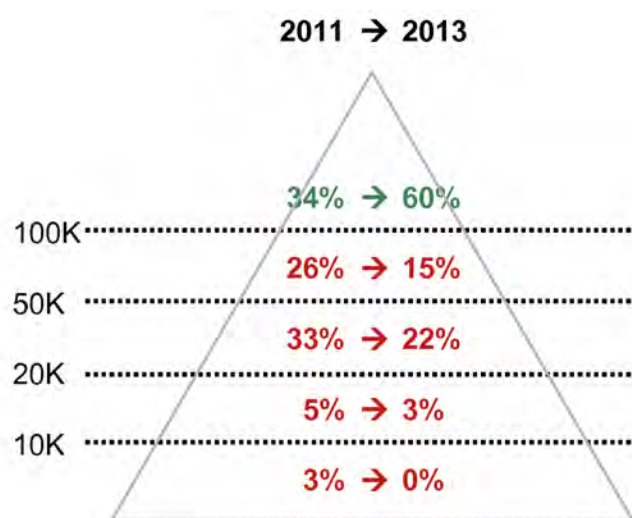
### TOP MFIs BY GROWTH IN TOTAL ASSETS: CHANGE IN USD

| MFI NAME  | AVERAGE ANNUAL<br>USD INCREASE | AVERAGE ANNUAL<br>% 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     |
| Alliance de Credit et d'Epargne pour la Production Sénégal                                | 8,249,799                      | 12%                          | 65,466,807  | 81,966,406  |

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



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



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





## Vision Microfinance: Social Impact Investing

Vision Microfinance is an appeal to combat poverty in a meaningful and sustainable way. So far 687 m USD have been distributed in the form of 635 promissory notes to 256 microfinance institutions in 50 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, who 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)



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## UPCOMING EVENTS

### 2nd Microfinance and Rural Finance Conference

July 2 - July 6, 2016; Aberystwyth, United Kingdom

This event will consider micro- and macro-perspectives on financial inclusion and other aspects of finance in emerging markets such as Brazil, China, India, Russia and South Africa. The fee to attend is GBP 80, with various discounts available. For more details, you may visit <http://shop.aber.ac.uk/browse/product.asp?compid=1&modid=1&catid=148>. You may also contact Yizhe Dong at [yid1\[at\]aber.ac.uk](mailto:yid1[at]aber.ac.uk) or +44 (0)1970 622508.

### Mekong Financial Inclusion Forum

July 11 - July 14, 2016; Phnom Penh, Cambodia

This event will cover opportunities for achieving financial inclusion in the Greater Mekong subregion, including how working here differs from serving other parts of the world. The standard registration fee is USD 400, with reduced rates available for NGOs and members of certain organizations. For additional information, you may visit [http://bwtp.org/event/mekong\\_forum/](http://bwtp.org/event/mekong_forum/) or contact Katie Greaves at +61 7 3217 2924 or [katiegreaves\[at\]fdc.org.au](mailto:katiegreaves[at]fdc.org.au).

### International Investors Conference

July 13 - July 15, 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) or visit <http://www.financialinclusionadvocacy.org> or call +44 (0)1474 330 730 or +233 (0) 307 037878.

### Participation for Harmonious Development

July 13 - July 16, 2016; Delhi, India

This event, which is intended to focus on sharing research and best practices, is themed this year around crowdfunding and cooperatives. The standard registration fee is EUR 350, with reduced rates available for participants from non-OECD countries and for students from all countries. For additional information, you may contact Dr Najmul Hoda at [phd.researchworkshop\[at\]gmail.com](mailto:phd.researchworkshop[at]gmail.com) or +96 653 346 5852, or you may visit <http://participationforharmony.weebly.com/phd-annual-research-workshop.html>.

### Global Conference on Sustainable Finance

July 14 - July 16, 2016; Karlsruhe, Germany

The goal of this conference is to align the financial services industry with the UN's 2030 Agenda for Sustainable Development, including sharing innovations in financing environmental efforts and micro-, small and medium-sized enterprises. The fee to attend is EUR 1,260, including accommodation, meals and local transportation. More details are available via <http://eosd.org/en/gsfci.html>, + 49 721 476 89 16 or [mail\[at\]eosd.org](mailto:mail[at]eosd.org).

### 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.

### 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 this event costs USD 895. For more details, you may contact +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 increasing the knowledge of financial service providers regarding the financial lives of poor people in an effort to enable them design and 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/>, email [info\[at\]mastercardfdn.org](mailto:info[at]mastercardfdn.org) or call +1 416 214 2857 for more information.

### MORE DETAILS COMING SOON ON...

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

October 27 - October 28, 2016; Bishkek, Kyrgyzstan

### Sanabel Conference

November 1 - November 2, 2016; Casablanca, Morocco

### European Microfinance Week

November 16 - November 18, 2016; Luxembourg

### Investor Forum 2016: The Global Gathering for Impact Investors

December 7 - December 8, 2016; Amsterdam, the Netherlands

### Twelfth Biennial Conference on Entrepreneurship

February 22 - February 24, 2017; Ahmedabad, India

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## PAPER WRAP-UPS

### Cost-Benefit Analysis of Traditional Versus Flexible Microfinance in Bangladesh

By S. Bairagi and W. Bin Shadat, published by the Copenhagen Consensus Center, May 2016, 32 pages, available at: [http://www.copenhagenconsensus.com/sites/default/files/bin\\_shadat\\_microfinance.pdf](http://www.copenhagenconsensus.com/sites/default/files/bin_shadat_microfinance.pdf)

This paper estimates the differences in “social benefits” between the traditional microfinance method and a more flexible repayment system by using net present value (NPV) and benefit-to-cost ratio (BCR) methods. Under the flexible system, a borrower is allowed a repayment-free “grace” period of one or more months beginning at the time of loan disbursement. Social benefits are measured through a mathematical model wherein microfinance institutions act as a profit maximizer.

The difference in NPVs of the future benefits for both methods is minimal. However, the BCR ranges between 1.9 and 2.6 for the flexible method and 1.3 and 2.1 for traditional microfinance. Based on these figures, the authors conclude that the welfare gains for flexible microcredit are higher and that there is potential for creating a new flexible microcredit market in Bangladesh.

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### Enabling Merchant Payments Acceptance in the Digital Financial Ecosystems

By A. Weinberg, D. Salazar, C. Niehaus, A. Sathnur, C. Coye Benson and J. Lasko; published by the International Telecommunication Union; May 2016; 42 pages; available at: <http://www.itu.int/en/ITU-T/focusgroups/dfs/Pages/default.aspx>

The authors of this paper argue that increased merchant acceptance of digital payments will enable consumers to increase their usage of digital wallets, thus lowering cash-out costs. Among the challenges the authors identify are merchant underwriting, risk management, dispute management and improving analytics. Better business modeling may help address many these issues.

### Global Standard-Setting Bodies and Financial Inclusion: The Evolving Landscape

By T. Lyman et al, published by the Global Partnership for Financial Inclusion, March 2016, 126 pages, available at: <http://www.gpfi.org/publications/global-standard-setting-bodies-and-financial-inclusion-evolving-landscape>

This paper addresses how standard-setting bodies are addressing “peer-to-peer” lending, digital currencies and consumer protection for low-income customers. Among the authors’ suggestions are studying the risks of financial exclusion, encouraging crowdfunding, and limiting due diligence for smaller transactions and accounts. 📄



The banner features a central green circular graphic with a map of the Mekong region and the text "MEKONG FINANCIAL INCLUSION FORUM" in large orange and white letters. The background is a green pattern of concentric circles. Logos for co-organizers, convenors, and partners are arranged around the central graphic.

**Co-Organiser:** FDC (The Foundation for Development Cooperation)

**Convenor:** BWTP (Asia's inclusive finance community)

**Partner:** ADB

**Co-Organiser:** ada

**Local Host:** NATIONAL BANK OF CAMBODIA

**Partner:** 50th Anniversary of UNCDF (1966-2016)

**11-14 July 2016**      **Phnom Penh, Cambodia**