

MICROCAPITAL BRIEFS | TOP STORIES

India's Arohan Sells 13% Equity Stake to Maj Invest for \$15m

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

Telenor, Punjabi Government Creating Connected Agriculture Platform

Two entities in Pakistan controlled by Norwegian conglomerate Telenor are partnering with two arms of the government of the Pakistani province of Punjab to create the Connected Agriculture Platform Punjab. The program is intended to supply 500,000 farmers with smartphones and 4G data services at no cost with the goal of connecting them to: (1) agricultural advisory services; (2) interest-free loans via digital wallets; and (3) relationships with other members of the value chain such as input suppliers, commodity buyers and researchers. The program partners are Telenor Microfinance Bank; Telenor Pakistan, a telecommunications provider; the Punjab Information Technology Board and the provincial Agriculture Department. August 28, 2017

Guarantee Cushioning \$55m in Lending to Women by Turkey's QNB

The European Bank for Reconstruction and Development (EBRD), a UK-based multilateral development institution, recently announced it is issuing a five-year loan of USD 55 million to QNB Finansbank, which is located in Turkey but is owned by the government-backed Qatar National Bank. The funds are to be used for on-lending "to businesses either owned or run by women" and will feature "first-loss risk cover" up to the equivalent of USD 5.2 million provided by EBRD, the EU and the Turkish government. Established in 1987, QNB Finansbank reports total assets of USD 28 billion, a total loan portfolio of USD 17 billion and customer deposits of USD 14 billion. August 21, 2017


ZAMFI Blames Zimbabwe's Economy for Microloan PAR Over 12%

The 100-member Zimbabwe Association of Microfinance Institutions recently announced its members' aggregate portfolio-at-risk ratio rose from 8.3 percent in December 2016 to 12 percent in March 2017, citing both "corporates and individuals fail[ing] to honour their debt obligations due to the [nation's] liquidity crisis. Godfrey Chitambo, the head of the organization, was quoted as saying microfinance institutions are seeking mergers to address "a number of challenges, chief among them being high levels of [non-performing loans], dwindling funding and [the] high cost of acquiring technology." August 19, 2017

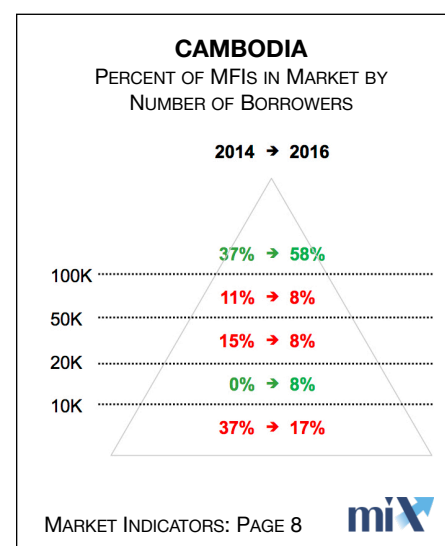
UBS Customers Investing \$325m in TPG's The Rise Fund

The wealth management unit of Zurich-based UBS (Union Bank of Switzerland) recently announced it has raised USD 325 million from high-net-worth individuals to invest in The Rise Fund, a social impact private equity fund managed by the US-based Texas Pacific Group (TPG). The fund seeks to support the UN's Sustainable Development Goals by investing in companies in the agriculture, education, energy, financial services, healthcare, technology and infrastructure sectors. TPG, which manages USD 73 billion in assets, collaborates on The Rise Fund with Elevar Equity, a US-based "human centered venture capital" firm, and the Bridgespan Group, a US-based nonprofit consultancy specializing in "social problems." Since The Rise Fund was launched early in 2017, it has invested USD 120 million in EverFi, a US-based digital education firm; USD 50 million in India's Dodla Dairy; and an undisclosed amount in Brava, an Indian internet-of-things company. August 17, 2017

Fairtrade Loans \$750k to Colombia's DelosAndes for Wet Coffee Mill

German development bank Kreditanstalt für Wiederaufbau recently notified MicroCapital that the Fairtrade Access Fund, which invests in initiatives supporting farmers in developing countries, has loaned USD 750,000 to Cooperativa DelosAndes, a Colombia-based coffee cooperative, to co-finance a wet mill. The mill is expected "to save around 50 million litres of water per year." Established in 1961, Cooperativa DelosAndes has 3,600 members, the majority of whom hold less than five hectares of land. To qualify for financing from the Fairtrade Access Fund, organizations must acquire third-party certification that they meet environmental, labor and other standards. August 13, 2017 

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MICROCAPITAL BRIEFS

Mali's RMCR to Launch Microinsurance

Réseau de Micro-institutions de Croissance de Revenus (RMCR), a credit union in Mali, is borrowing the local-currency equivalent of USD 840,000 from the Luxembourg-based Grameen Credit Agricole Microfinance Foundation, about a third of which is to be used to launch a microinsurance product. Established in 2005, RMCR reported total assets of USD 9.8 million, a gross loan portfolio of USD 7.6 million, 33,000 active borrowers, deposits of USD 1 million, 36,000 depositors and return on assets of -3.6 percent as of 2015. August 30, 2017

PFIP Giving \$450k to Solomon Islands to Digitize Tax Payments

The UN's Pacific Financial Inclusion Program recently granted USD 450,000 to the Solomon Islands' Inland Revenue Division with the goal of increasing the availability of electronic payment channels for taxes paid by "123,800 wage and salary employees, 200 corporate taxpayers and 3,684 small businesses." As was announced in the previous issue of this newspaper, the nation's government has set a goal of using digital channels for 80 percent of its transactions by 2020. August 30, 2017

MicroFinanza Rating Issues Credentials to 13 MFIs

During July and August, Italy's MicroFinanza Rating (MFR) issued microfinance institutional ratings of B+/stable to Morocco's Attadamousse Micro-Finance; BB/stable to Ecuador's Fundación Espoir and Albania's FED Invest; BBB-/under observation to Credicampo of El Salvador; and BBB-/negative to Asociación Promujer de México. MFR also issued the following social ratings: A to India's Annapurna Micro-finance, A- to Kenya Women Microfinance Bank, and B+ to both Namibia's Trustco Finance and Microcred Banque Madagascar. Asociación Promujer de México is an affiliate of US-based Pro Mujer International, and Microcred Banque Madagascar is a unit of the Microcred Group of France. Please see <https://microcapital.org> for the list of institutions MFR recently found eligible to obtain Client Protection Certification from the Smart Campaign of US-based Accion's Center for Financial Inclusion. August 29, 2017

Pula, CGAP Partner on Satellite-based Cover for Nigerian Farmers

Pula, a Kenya-based insurance intermediary that serves small-scale farmers via satellite technology, and CGAP (the Consultative Group to Assist the Poor), a US-based, nonprofit research center that aims to facilitate the expansion of financial access, recently partnered on an effort to improve insurance options for farmers in Nigeria. CGAP will seek to "help Pula source highly specialized expertise on geo-data analysis and modeling that will enable Pula... to verify yields remotely and be able to process insurance claims in a cheaper manner." Additionally, CGAP will "document the results...to distill lessons on the opportunities and challenges of replicating this approach elsewhere." Pula serves 400,000 farmers in Ethiopia, Kenya, Malawi, Nigeria, Rwanda and Uganda. August 28, 2017

Reserve Bank of India Sets Guidelines for Small Finance Banks

The Reserve Bank of India, the country's central banking authority, recently released its "Compendium of Guidelines on Financial Inclusion and Development" for small finance banks, a new classification of institutions intended to increase the "supply of credit to micro- and small enterprises (MSEs), [as well as] agriculture and banking services in unbanked and under-banked regions in the country." The guidelines include that small finance banks shall direct 75 percent of their "adjusted net bank credit" toward priority sector lending, which includes funding agriculture, education, housing, and micro- and small businesses. The guidelines also state that the banks may extend credit of up to the equivalent of USD 780,000 to a single MSE or - to a medium-sized enterprise working in one or more priority sectors - twice that amount. MSEs are defined as enterprises where "investment in plant and machinery" is under USD 780,000. August 24, 2017

EBRD Investing \$10m in Women in Tajikistan

The European Bank for Reconstruction and Development, a UK-based multilateral development institution, recently announced it is expanding its "Women in Business" programme to Tajikistan with an investment of USD 10 million. Tajikistan is the seventeenth country to be included in the programme, which includes mentoring arrangements and business education seminars as well as wholesale loans targeted at expanding women's access to financial services. Tajikistan's Bank Eskhata is the first to access the funding stream, borrowing USD 1 million for "on-lending to women-owned or -led businesses across the country." Established in 1993, Bank Eskhata is a commercial bank that reports total assets of USD 212 million, a gross loan portfolio of USD 129 million and demand deposits equivalent to USD 37 million. August 23, 2017

Sanad Fund for MSME Lends \$20m to Lebanon's Byblos Bank

The Sanad Fund for MSME (Micro-, Small and Medium-sized Enterprise), a provider of loans and equity to financial institutions in the Middle East and North Africa, recently announced it will loan USD 20 million to Byblos Bank, a commercial bank based in Lebanon, to on-lend to small and medium-sized enterprises (SMEs). Semaan Bassil, the Chairman and General Manager of Byblos, stated that, "Our strong corporate culture, sound lending practices, and large network across the country are all geared to promote the development of SMEs in Lebanon." Established in 1950, Byblos employs 2,350 people in 10 countries on three continents. It reports total assets equivalent to USD 21 billion, total deposits of USD 17 billion, a gross loan portfolio USD 5.4 billion, return on assets of 0.81 percent and return on equity of 9.2 percent. August 23, 2017

EBRD Lends \$2m to Imon of Tajikistan for Female-run MSMEs

The UK-based European Bank for Reconstruction and Development (EBRD) recently lent the local-currency equivalent of USD 2 million to Imon International, an institution that offers microcredit and deposit services with the aim of improving its clients' standards of living as well as promoting economic development in Tajikistan. The loan will be used to support women who manage micro-, small or medium-sized enterprises or who otherwise are active in food production. Imon has total assets of USD 109 million, a gross loan portfolio of USD 81 million, 98,000 active borrowers, USD 22 million in deposits and 7,200 depositors. August 22, 2017

FMO Lending \$12.5m to Terabank for SMEs, Women in Georgia

The Netherlands Development Finance Company, a government-backed institution also known by its Dutch acronym FMO, recently announced it will loan USD 12.5 million and provide advisory services to Terabank to boost its lending to small and medium-sized enterprises and women entrepreneurs in Georgia. Founded in 1999, Terabank is a joint stock company with 18 branches that is owned by the Abu Dhabi Group. Terabank reports total assets equivalent to USD 290 million, a gross loan portfolio of USD 194 million and total deposits of USD 217 million. August 18, 2017

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

Grameen Credit Agricole Lending \$5m in Kazakhstan, Indonesia

The Luxembourg-based Grameen Credit Agricole Microfinance Foundation recently informed MicroCapital that it has committed to extending the following loans in several phases: the local-currency equivalent of USD 3.9 million to KazMicroFinance (KMF) of Kazakhstan, the euro-equivalent of USD 550,000 to Bereke of Kazakhstan, and the euro-equivalent of USD 660,000 to Vasham of Indonesia. KMF, which offers training as well as individual and group loans, reports a gross loan portfolio of USD 103 million and 152,000 active borrowers. Bereke reports total assets of USD 4.4 million, a gross loan portfolio of USD 3.5 million and 5,000 borrowers. Vasham seeks to provide small-scale farmers with improved financing options, income security and sector-specific skills. Since its founding in 2013 it has served 12,500 farmers and lent USD 8 million. August 18, 2017

Benin's Government Hikes Microcredit Program Budget to \$5m

The government of Benin recently increased the budget of its "Microcredit for Very Poor People" program to the equivalent of USD 5.2 million from USD 2.2 million. The program serves people "ineligible for classical bank financing" from Benin's 10 commercial banks. Since it was established in 2007, the program reportedly has helped "2 million people to get out of hand-to-mouth existence in Benin." Details of the program, such as any intermediaries that may be involved, are unavailable. August 16, 2017

FAF Lends \$3m to Ecookim for Cocoa Farmers in Cote d'Ivoire

German development bank Kreditanstalt für Wiederaufbau recently notified MicroCapital that the Fairtrade Access Fund (FAF), which invests in farming in developing countries, has issued a trade finance loan of USD 3 million to Enterprise Cooperative Kimbe (Ecookim), a union of 23 cooperatives in Cote d'Ivoire. Established in 2004, Ecookim "purchases, processes and exports cocoa beans from around 12,000 smallholder farmers." August 15, 2017

GCAMF Loaning \$3.8m to Advans Cote d'Ivoire, PAMF-Mali

The Luxembourg-based Grameen Credit Agricole Microfinance Foundation recently informed MicroCapital that it has committed to extending two local-currency loans in phases over three years: the equivalent of USD 2.9 million to Advans Cote d'Ivoire and USD 890,000 to Premiere Agence de MicroFinance (PAMF) Mali. Advans Cote d'Ivoire is a unit of Advans SA, a venture capital company registered in Luxembourg and managed by Horus Development Finance of France. Advans SA is active in 10 countries, and Advans Cote d'Ivoire had a gross loan portfolio of USD 65 million outstanding to 12,500 borrowers and USD 38 million held for 68,000 depositors. PAMF-Mali was established in 2006 by the Switzerland-based Aga Khan Agency for Microfinance, which is an arm of the Aga Khan Development Agency, a provider of health, education, architecture, music and other services in 30 countries. Financial data on PAMF-Mali are not available. August 14, 2017

Bank of the Philippine Islands Creates BPI Direct BanKo

The Bank of the Philippine Islands (BPI), which is owned by the Philippines' Ayala Corporation, recently created BPI Direct BanKo, a microfinance bank intended to cater to "self-employed micro-entrepreneurs." The bank is the product of the merger of two "specialized thrift banks," BPI Direct Savings Bank and BPI Globe BanKo. The new entity, which operates 24 service locations in the Philippines, offers fee-based advisory services and "NegosyoKo loans," which range from the equivalent of USD 500 to USD 6,000 and are "processed within a target average of three to five days." Established in 1851, BPI is a commercial bank that operates 800 branches in the Philippines, Hong Kong and Europe. It reports total assets equivalent to USD 34 billion. Ayala, including its subsidiaries, has a market capitalization of USD 40 billion. August 10, 2017



Botswana | Ghana 2016-2017

JUMO **Letshego** **afb**

GHS 92 M (USD 23 M)
Sole Financial Advisor

Sale of 100% of afb Ghana to Letshego Group Holdings

Namibia 2016

TRUSTCO **oshili newa**

ZAR 450 M
Sole Advisor and Arranger

Debt Capital Raise

Ghana 2016

FIRST ALLIED

GHS 60 M (USD 15 M)
Sole Advisor and Arranger

Debt Capital Raise

Lux | Zambia 2014-2015

MFinance
Madison Finance Company Limited

USD 10 M
Joint Advisor and Arranger

Debt Capital Raise

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Morgan Stanley Raises \$125m for PMF Integro Impact Fund

US-based financial services firm Morgan Stanley recently reported that it has raised USD 125 million for its new Integro Fund I, the firm's first "global impact fund." Integro will invest primarily in efforts to combat climate change and increase access to jobs, education and healthcare in low- and middle-income countries. Morgan Stanley's Institute for Sustainable Investing will provide support to the fund, which will be managed by Alternative Investment Partners (AIP) Private Markets, Morgan Stanley's private equity arm. To invest via AIP Private Markets, an investor must have assets valued at a minimum of USD 50 million. Morgan Stanley reports total assets of USD 814 billion. August 10, 2017

India's Arohan Sells 13% Equity Stake to Maj Invest for \$15m

Arohan Financial Services, an Indian non-banking finance company that provides microloans to women, recently raised the local-currency equivalent of USD 24 million from Maj Invest, a Danish asset manager that primarily serves institutional clients; Tano Capital, a US-based asset management firm focusing on emerging markets; Aavishkaar Venture Management Services, a venture capital firm targeting underserved regions of India; and multiple individuals. Maj Invest acquired 13 percent of the firm's equity for USD 15.5 million. Aavishkaar, the microlender's promoter, as well as Tano Capital and journalist Swaminathan Anklesaria Aiyar increased their pre-existing stakes in the company by undisclosed amounts. As a result of the new investment, Aavishkaar owns 32 percent of Arohan. The microlender, which reports a gross loan portfolio of USD 161 million, is planning to use the cash to extend its operations in the states of Uttar Pradesh and Madhya Pradesh. August 10, 2017

New Index Ranks 20 Countries on Impact Investing Potential

The Institute for Sustainable Investing, a unit of US-based financial services firm Morgan Stanley, in collaboration with the Economist Intelligence Unit, a UK-based advisory group affiliated with *The Economist* magazine, recently released the 2017 Inclusive Growth Opportunities Index. This report covers investment opportunities intended to increase "gender inclusion" as well as access to education, healthcare and finance. The publication, which the authors plan to produce annually, ranks 20 countries based on 150 metrics related to financial risk, business environment, investment activity, technology and infrastructure, enabling environment and demand. August 10, 2017

CGAP Accepting Photo Contest Entries Through September 29

CGAP (the Consultative Group to Assist the Poor), a US-based, nonprofit that aims to facilitate the expansion of financial access, is seeking submissions of original photographs for its annual competition, which aims to highlight the positive effects of microfinance. Until September 29, 2017, each entrant may submit up to 20 photographs via <http://photocontest.cgap.org/>. The prizes are gift certificates for photography equipment in values ranging from USD 100 to USD 2,000. August 9, 2017

Kiva's World Refugee Fund Accepting Loans of \$25

Kiva, a US-based, nonprofit crowdfunding platform for microfinance institutions (MFIs), recently launched its World Refugee Fund to raise money online from individuals for on-lending to institutions serving cross-border refugees and people who have been internally displaced. Kiva has secured an unspecified level of backing for the fund from three US-based nonprofits: the Alight Fund; the Tent Foundation; and USA for UNHCR, an organization that supports the UN High Commissioner for Refugees. Like other Kiva products, the World Refugee Fund allows people to "help fund a loan with as little as USD 25" via the internet. To build interest in the fund, Kiva will double the amount users loan on the site for an undisclosed period of time. As of 2017, Kiva has intermediated loans from 1.6 million website visitors to retail lenders in 82 countries. August 9, 2017

EFSE Lends \$6m to Opportunity Bank Serbia for Rural MSEs

The European Fund for Southeast Europe (EFSE), a Luxembourg-based microfinance investment vehicle, recently announced it will loan the dinar-equivalent of USD 6 million to Opportunity Bank Serbia (OBS), a unit of US-based NGO Opportunity International, "to support small businesses, especially in rural areas." OBS is a microfinance institution that was founded in 2002 and offers loans, insurance, savings and current (checking) accounts to private individuals as well as loans to small businesses. OBS reports a gross loan portfolio of USD 97 million outstanding to 37,000 clients and USD 70 million in deposits for 38,000 clients. Opportunity International provides loans, savings, insurance and training to 12 million individuals in 28 countries in Africa, Asia, Europe and Latin America. August 8, 2017

SoftBank Invests \$1.4b in Indian Digital Payment Provider Paytm

Paytm, an Indian electronic payment and e-commerce company with 220 million users, recently raised the equivalent of USD 1.4 billion by selling approximately a fifth of its shares to SoftBank Group, a Japanese conglomerate operating in the technology and energy sectors. The name "Paytm" is an acronym for "Pay Through Mobile." August 4, 2017

GCAMF Lending \$2m in Africa to BIMAS, AMZ, PAIDEK

The Luxembourg-based Grameen Credit Agricole Microfinance Foundation recently informed MicroCapital that it has committed to extending local-currency loans in phases over three years equivalent to the following amounts: USD 838,000 to Business Initiatives and Management Assistance Services (BIMAS) of Kenya, USD 582,000 to Agora Microfinance Zambia (AMZ) and USD 582,000 to Promotion et Appui aux Initiatives de Développement Economique du Kivu (PAIDEK) of the Democratic Republic of the Congo. BIMAS is an NGO that offers insurance and loans in rural communities. Recent financial data on the institution are not available. AMZ is a microlending unit of Netherlands-based Agora Microfinance, which also has affiliates in Cambodia and India. AMZ has total assets of USD 910,000, a gross loan portfolio of USD 703,000 and 10,300 active borrowers. PAIDEK reports total assets of USD 4.8 million, a gross loan portfolio of USD 3.4 million, and USD 100,000 in deposits. August 4, 2017

EFSE Lending \$2.3m to Mi-Bospo of BiH, Half for Rural Clients

The European Fund for Southeast Europe (EFSE), a Luxembourg-based microfinance investment vehicle, recently announced it will loan the equivalent of USD 2.3 million to Microcredit Foundation Mi-Bospo of Bosnia and Herzegovina. The investment is intended to enable loans to 3,000 micro- and small enterprises, with half the value of the loan "earmarked for rural regions." Mi-Bospo provides business, housing and other types of loans, predominantly to women. Mi-Bospo has 29 offices, assets of USD 29 million, a gross loan portfolio of USD 26 million and 21,000 borrowers. August 4, 2017

Musoni Kenya to Lend Online to Buy D.light Solar Devices

D.light, a US-based provider of solar energy products, recently partnered with Musoni Kenya, a mobile financial services firm, to finance solar electric systems for Kenyans who live in communities with no electricity service. Included in each system is "a solar panel, mobile phone charger, solar lights, light switches, a torch and an FM radio." Many Kenyans in off-grid communities light their homes with kerosene, which is often expensive and dangerous. Founded in 2006, d.light provides solar panels, lights and other appliances primarily to consumers in "emerging markets." The firm operates from nine locations in Africa, Asia and the US. Musoni Kenya is a subsidiary of Musoni, a software and technology provider that creates software for "mobile money transfer systems." Its Kenyan unit, which aims to "expand financial outreach in rural areas... [via] cashless, paperless and data-driven" services, has 20,500 customers, a gross loan portfolio of USD 7.9 million and USD 2.9 million in deposits. August 3, 2017

SPECIAL REPORT

This interview is part of a sponsored series on the third Semaine Africaine de la Microfinance (SAM), which will take place during the week of October 9 in Addis Ababa. It is organized by ADA, an NGO based in Luxembourg, with the support of Luxembourg's Ministry for Development Cooperation and Humanitarian Affairs, in partnership with the Microfinance African Institutions Network, the African Rural & Agricultural Credit Association, African Microfinance Transparency, the Association of Ethiopian Microfinance Institutions and Kenya's Association for Micro-finance Institutions.

Semaine Africaine de la Microfinance (SAM)

MicroCapital: The Mastercard Foundation is organizing a session at SAM on "Envisioning agriculture as a business for youth in Africa." What tools do youth need to be successful in agriculture?

Ann Miles: Learning and training is critical for youth to succeed in whatever they undertake, so we offer scholarships for talented but underprivileged youth to obtain secondary and university education. Once they graduate, we assist young people in finding work in agriculture; accessing finance or training for entrepreneurship; or developing the "soft skills" necessary to succeed in any job, such as networking, communication, or demonstrating reliability and resourcefulness.

Studies consistently have shown that young people beginning or expanding agricultural businesses face major obstacles with access to finance. We support pilot projects that demonstrate how lenders can mitigate risk and integrate the expectations of young people into sustainable business models. There is great energy and ambition among the 11 million young people coming onto the labor market in Africa each year. Many of these young people will pursue a combination of formal employment in agriculture, informal seasonal work, family support and/or entrepreneurship. Microfinance institutions can enable young people to prosper in all of these areas by promoting savings, facilitating money transfers and removing obstacles to credit.



MC: What roles can technology play?


AM: We see technology as a game-changer, and not just to reduce costs for microfinance institutions seeking to better serve existing customers or reach new, distant ones. The future of the agri-food system is in the hands of young people who, by their nature, are more comfortable with emerging technologies. That's why we advocate for

young people to be an integral part of any planning process for using new technologies to facilitate the agricultural value chain. For example, collecting weather and crop data using GPS-enabled devices can help improve agricultural techniques. For microfinance firms, the use of new technologies to better understand and respond to customer needs can make the difference between profit and loss.

MC: Can you offer an example in which you see this all coming together?

AM: Our support to One Acre Fund is a good example of a comprehensive approach to helping smallholder farmers increase their productivity and livelihoods through access to better agricultural inputs, training, finance and markets. Other institutions should take a page out of One Acre Fund's book and partner with other actors to do the same thing. When young people see that farming can be a profitable way to make a living, they will be more attracted to it.

In addition to farming, the work we do with organizations such as TechnoServe and SNV shows how much potential there is for young people to build small and medium-sized enterprises all along the agricultural value chain.

Ann Miles is the Director of Financial Inclusion for the Mastercard Foundation, which is one of the dozens of organizations that will share their expertise at SAM. 



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EAR TO THE GROUND

The Coca-Cola Test for Microfinance Outcomes

In recent years, social investors in the financial services space have asked my team to help define and quantify the impacts that their investees are having on end-customers. The conversation generally starts with big smiles and an ambitious goal of showing a causal relationship between a loan and a borrower's economic wellbeing. It often ends with furrowed brows and a list of practical concerns like the time and money that such a goal would require. Creating impact is difficult, but measuring it can be overwhelming. However, this should motivate investors to take on the challenge, rather than discourage them.

One approach has been for impact investors to join forces on research and development, such as through the Outcomes Working Group (OWG) of the Social Performance Task Force (SPTF). This week, I spoke with SPTF Deputy Director Amelia Greenberg and was pleasantly surprised by her organization's approach, if not its three-year timeline. OWG has developed a set of outcome indicators that, rather than being applied to MFIs across the board, serve as a menu that can be customized according to each MFI's goals. OWG is now testing the system with three organizations in Peru: FINCA Peru, Microfinanzas Prisma and Norandino. So far, OWG is finding major differences among the organizations, such as whether they focus on agricultural lending, which require more tweaks to the model.

One of the ways I consider whether a particular measurement technique is appropriate to an institution pursuing social change is to use my "Coca-Cola test." The principle is that if the measurements would show Coca-Cola having as much impact as the MFI, then the technique is probably not useful. For example, I would argue that "reaching a large number of poor people" is not enough. After all, there are financial

service equivalents to the obesity caused by Coca Cola, such as over-indebtedness, that need to be captured. The OWG process addresses these risks by grounding its efforts in outcomes linked to the specific values that low-income households place on various financial services. As a result, it will likely pass the Coca-Cola test. (One example of an outcome that many clients value more highly than others is the accumulation of assets over time.)

The next question is whether the outcome measurement regimen meets investor and investee concerns about time, money and other practical concerns. To date, very few impact investors have made cost-effective cases for measuring outcomes (as opposed to outputs or processes). Although investors can make funding contingent on measuring (and achieving) outcomes, linking them to business objectives and practices is much more likely to result in true organizational buy-in.

Other initiatives to standardize measurement, such as fair-trade and organic certifications, have been successful because of the direct relationship with farmers' bottom lines. SPTF's challenge is to adopt this approach - turning an intellectual exercise into a business case. In my view, this can be done by ensuring that measurement is aligned with what end-clients need and want from their financial services. For this, MFIs will need to do the hard work of finding out just what those needs and wants are. A happy customer, after all, leads to a happy bottom line.

About the Author: Ms Barbara Magnoni is President of EA Consultants, a development-consulting firm based in New York. She has 25 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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97
countries of activity

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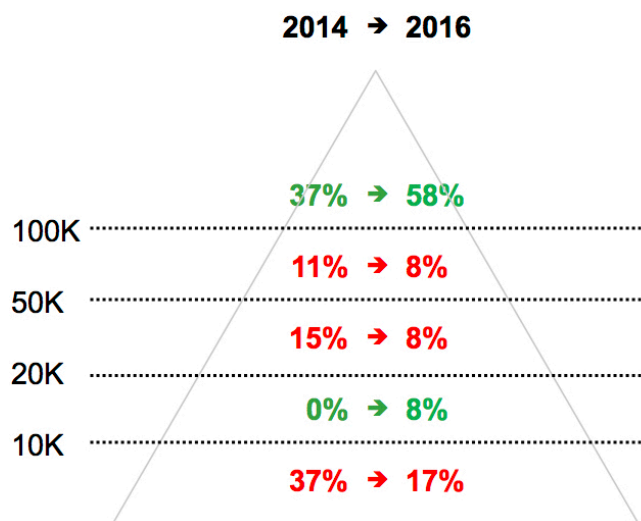
POWERED BY

12 MICROFINANCE INSTITUTIONS (MFIs) REPORTING¹

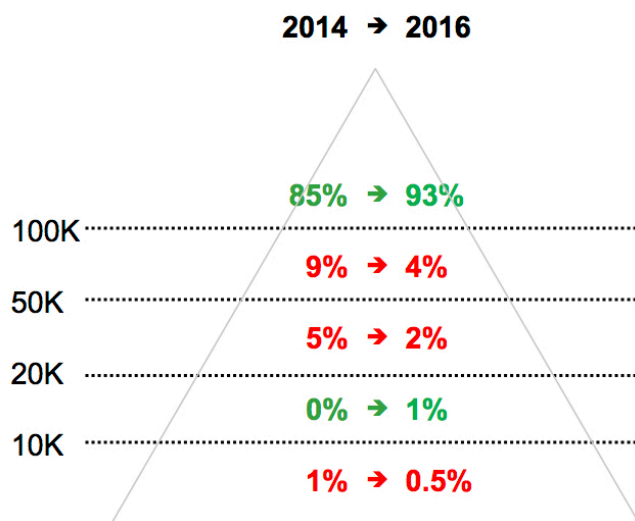
TOP MFIs BY GROWTH IN GROSS LOAN PORTFOLIO: CHANGE IN USD

MFI NAME	AVERAGE ANNUAL USD INCREASE	AVERAGE ANNUAL % INCREASE	2014	2016
Prasac	231,304,467	34	580,310,218	1,042,919,152
Sathapana Bank	153,262,359	41	311,393,539	617,918,258
Amret	139,255,336	40	287,418,110	565,928,782
Hattha Kaksekar Limited (HKL)	100,125,237	34	250,192,757	450,443,230
LOLC	53,388,346	39	115,325,883	222,102,576
Angkor Mikroheranhvatho Kampuchea (AMK)	28,288,897	26	96,334,000	152,911,793
VisionFund Cambodia	27,232,643	26	90,901,505	145,366,790
Kredit	21,750,961	20	100,482,551	143,984,472
Maxima	2,802,548	51	4,334,938	9,940,033
First Finance	2,196,191	13	15,531,499	19,923,881

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 2014 and 2016 to the Microfinance Information Exchange (MIX) Market

Source: MIX, August 2017

UPCOMING EVENTS

Asia-Pacific Housing Forum 6

September 4 - September 7, 2017; Hong Kong, China

This event is designed to pursue “solutions to poverty housing issues and promote affordable housing as a driver of economic growth.” The fee to attend is HKD 2,340, with a lower rate offered to NGO representatives. There is an additional fee to attend the associated Wharton-Habitat for Humanity housing finance course. For more information, you may email [info\[at\]aphousingforum.org](mailto:info[at]aphousingforum.org), call +852 2520 4000 or visit <http://www.aphousingforum.org/>.

Financial Inclusion Summit East Africa 2017

September 5, 2017; Nairobi, Kenya

The event features sessions on topics such as: the financial inclusion gender gap; financial regulation; financial technology; and the dynamics between financial inclusion and the wider financial services industry. The fee to attend is USD 440. For additional information, you may visit <https://www.terrapinn.com/exhibition/seamless-east-africa/Financial-Inclusion-Summit.stm> or contact Prima Castelino at +971 4 4440 2535 or [prima.castelino\[at\]terrapinn.com](mailto:prima.castelino[at]terrapinn.com).

5th International Conference on Sustainable Development

September 6 - September 7, 2017; Rome, Italy

This conference offers a forum for the discussion of research in “sustainability science.” The cost to attend is EUR 300. For more details, you may visit <http://www.ecsdev.org/index.php/conference>, call +39 0692958486 or email [conference\[at\]ecsdev.org](mailto:conference[at]ecsdev.org).

Sa-Dhan National Conference

September 14 - September 15, 2017; New Delhi, India

This event will cover “the implementation of India’s financial inclusion programme and identify strategies to reinvent inclusive finance in [the] digital era.” The full fee to attend is INR 8,000 for Indian participants and USD 500 for those from abroad. A range of discounts is also available. More details may be sought via [info\[at\]sa-dhan.org](mailto:info[at]sa-dhan.org), +91 11 47174400 or <https://sadhannationalconference.wordpress.com/>.

Third Sankalp Southeast Asia Summit

September 19 - September 20, 2017; Jakarta, Indonesia

The goal of this summit is to “strengthen Southeast Asia’s entrepreneurship ecosystem” in areas such as health, energy, financial services and agriculture. The full fee to attend is USD 300, with lower rates available for entrepreneurs. For more information, you may email [sankalpforum\[at\]intellectap.com](mailto:sankalpforum[at]intellectap.com), visit <http://www.sankalpforum.com/events/3rd-sankalp-southeast-asia-summit-2017/> or call +91 22 61952746.

Global Youth Economic Opportunities Summit

September 27 - September 29, 2017; Washington, DC, USA

Themed “The Future of Work: Youth Economic Opportunity in a Changing World,” this event will address topics such as the diminishing role of traditional labor, self-employment, preparing youth for the workforce, and factors such as gender and armed conflict. The registration fee is USD 895; more details are available via +1 202 783 4090, [summit\[at\]makingcents.com](mailto:summit[at]makingcents.com) and <http://www.youtheosummit.org/>.

2017 SEEP Annual Conference

October 2 - October 4, 2017; Arlington, Virginia, USA

This event will cover strategies relating to: (1) Resilience through Market Systems; (2) Markets, Food Systems and Nutrition; (3) Financial Inclusion and Client Empowerment; and (4) Adaptive Management and Organizational Change. The fee to attend is USD 1,200, with various discounts offered including for those registering before September 22. For additional information, you may visit <http://www.seepnetwork.org/>, call +1 202 534 1400 or email [annualconference\[at\]seepnetwork.org](mailto:annualconference[at]seepnetwork.org).

Semaine Africaine de la Microfinance (SAM)

October 9 - October 13, 2017; Addis Ababa, Ethiopia

The 2017 iteration of this event will focus on small and medium-sized enterprises. In addition to two days of conference presentations, it will include an Innovation Fair and an Investor’s Fair. The fee to attend is EUR 550. More details are available via <http://www.microfinance-africa.org/>, [info\[at\]ada-microfinance.lu](mailto:info[at]ada-microfinance.lu) or +352 45 68 68 1. MicroCapital has been engaged to promote and document SAM.

Opportunity Collaboration

October 15 - October 20, 2017; Ixtapa, Mexico

This networking and problem-solving event is “dedicated to building sustainable solutions to poverty.” It includes a “Capacity Building Clinic” and seminars on topics ranging from social impact to economic justice. The all-inclusive fees start at USD 2,950. For more information, you may contact Tracie Hudgins at +1 602 647 9121 or [thudgins\[at\]opportunitycollaboration.net](mailto:thudgins[at]opportunitycollaboration.net), or you may visit <http://opportunitycollaboration.net>.

Making Finance Work for Women Summit

October 24 - October 25, 2017; Dar Es Salaam, Tanzania

Themed “Digital Financial Inclusion,” this event includes sessions on topics such as “The State of Digital Financial Services,” how policymakers can empower women, drivers of outreach to women, financing women-owned businesses and ensuring safety for girls. The fee to attend is USD 750, with a discount of USD 250 for registrations paid before September 22. For additional information, you may visit <https://www.mfww2017.womensworldbanking.org>, email [communications\[at\]womensworldbanking.org](mailto:communications[at]womensworldbanking.org) or call +1 212 768 8513.

MORE DETAILS COMING SOON ON:

7th Annual Central Asian & Caucasus Microfinance Forum

October 26 - October 27, 2017; Tbilisi, Georgia

The Conference on Sustainable, Responsible, Impact Investing

November 1 - November 3, 2017; San Diego, California, USA

Sanabel Annual Conference

November 7 - November 8, 2017; Beirut, Lebanon

13th International Microinsurance Conference 2017

November 7 - November 9, 2017; Lima, Peru

The Mastercard Foundation Symposium on Financial Inclusion

November 8 - November 9, 2017; Accra, Ghana

Tenth Annual Social Finance Forum

November 9 - November 10, 2017; Toronto, Canada

Mondato Summit Asia

November 28 - November 29, 2017; Yangon, Myanmar

European Microfinance Week

November 29 - December 1, 2017; Luxembourg

9th Sankalp Global Summit 2017

December 7 - December 8, 2017; Mumbai, India 🇮🇳



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PAPER WRAP-UPS

Vision of the Future: Financial Inclusion 2025

By E L Thomas and A K Hoover, published by CGAP (the Consultative Group to Assist the Poor), June 2017, 29 pages, available at: http://www.cgap.org/sites/default/files/Focus-Note-Vision-of-the-Future-Jun-2017_0.pdf

Based on workshops conducted in late 2016 and early 2017, this paper projects possible scenarios regarding how “financial services [will] influence inequality and economic participation for poor people in 2025.” The authors present the findings in terms of fictional countries: Bahartia, “Digital Disruption of Finance & Employment;” Kasania, “Digital Boom/Bust Cycle;” Euro-landia, “Integrating Refugees;” and Telmar, “Social Credit Score.”

The Kasania scenario, for example, includes firms that “build out the digital economy, starting with agriculture.” Then copycats extend “credit to too many marginal borrowers,” who default on their loans, which has a cascading effect on the economy. The government responds with regulations that “crippl[e] the growth of the platforms, resulting in failure of the technology companies involved.”

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Offshore Financial Centers for Financial Inclusion: A Marriage of Convenience

By Sam Mendelson and Daniel Rozas, published by the Center for Financial Inclusion at Accion, June 2017, 14 pages, available at: <http://www.centerforfinancialinclusion.org/publications-a-resources/browse-publications/865-offshore-financial-centers-for-financial-inclusion>

Contrary to the popular characterization of Offshore Financial Centers (OFCs) as means for avoiding taxes, the authors find “administrative efficiency” was the primary motivator in decisions by equity impact investors to incorporate in OFCs.

Much Still to Do: Microfinance and the Long Journey to Financial Inclusion in India

By F Sinha, S Sinha, J Copestak and S Arora; published by Oxford Policy Management and Micro-Credit Ratings International Limited; 2017; 16 pages; available at: https://www.microfinancegateway.org/sites/default/files/publication_files/17-06-10_opm_eda_briefing_note_final_0.pdf

The authors find that microloan terms fail to meet customer needs about half the time. However, businesses’ “minimum estimated ROIs are usually well above the rate of interest paid on [a microfinance institution] loan...”



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