

MICROCAPITAL BRIEFS | TOP STORIES

Ant Financial Buys 45% Stake in Pakistan's Telenor Microfinance for \$184m

Please see page 3 for coverage of this *MicroCapital Deal of the Month*.

Tunisia's Enda Tamweel Raises \$30m in Equity

Enda Tamweel, a microlender primarily held by Tunisian NGO Enda Inter-Arabe, recently raised equity funding equivalent to USD 30 million in unspecified portions from six new shareholders. The investors are the government-backed Belgian Investment Company for Developing Countries (BIO); the French government's Société de Promotion et de Participation pour La Coopération Economique (PROPARCO); the Luxembourg-based Sanad Fund for MSME (Micro-, Small and Medium-sized Enterprise); the French NGO Solidarité Internationale pour le Développement et l'Investissement; Netherlands-based Triodos Investment Management; and the US-based Women's World Banking Capital Partners. Launched in 1995, Enda Tamweel "focus[es] on women, youth and rural populations...through the promotion of entrepreneurship...". The institution has a portfolio of USD 210 million outstanding to 340,000 microentrepreneurs served by 89 fixed and mobile branches. Enda Inter-Arabe is a member of Senegal-based NGO Enda Third-World, which provides a range of development services via partners in Africa, Eurasia and Latin America. April 26, 2018

Agricover of Romania Borrowing \$12m from EBRD for Ag Lending

Agricover Credit, a member of Romania's Agricover Holding, is borrowing the local-currency equivalent of USD 12 million from the UK-based European Bank for Reconstruction and Development (EBRD) for on-lending to farmers. Established in 2008, Agricover Credit lends exclusively to the Romanian agricultural sector. Founded seven years earlier, the Agricover Group has 850 employees serving 4,500 customers. Its primary holdings are Agricover Credit and Agricover SA, the latter of which trades farming inputs and agricultural products. The Agricover Group, which is 13-percent owned by EBRD, reported 2016 turnover approximately equivalent to USD 270 million and net income of USD 3.7 million. April 24, 2018

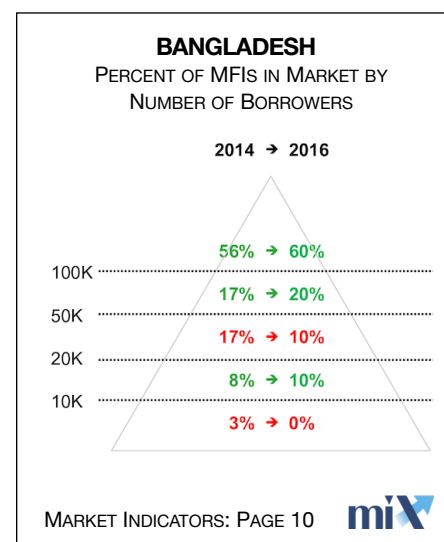
Agribank of Zimbabwe to Accept Land Leases as Collateral

The government-controlled Agricultural Bank of Zimbabwe (Agribank) recently announced that it will begin lending to farmers using 99-year land leases as collateral. This follows an update to local regulations that makes the leases transferable, for example in cases of loan default. The move gives leaseholders access to a pool of USD 105 million that Agribank has budgeted for lending to farmers for the 2018-2019 season. Agribank is also developing partnerships to issue wholesale loans to intermediaries such as the Tobacco Industry and Marketing Board, which is planning to borrow USD 28 million to on-lend to 18,000 farmers to buy "seed and fertilizer, motorbikes and technical services." These loans, which would not require collateral, would be directed to farmers that each work about one hectare of land. Agribank has 40 branches in the country and offers lending and deposit services. It also acts as an insurance agent for the local unit of Old Mutual plc, a UK-based insurer with operations on five continents. April 12, 2018

IDB Loans \$45m to LAAD for Value Chains, Impact Measurement

The Latin American Agribusiness Development Corporation (LAAD), a US-based funder of small and medium-sized enterprises (SMEs) in Latin America and the Caribbean, recently secured a seven-year loan of USD 45 million from IDB Invest, the private-sector member of the US-based Inter-American Development Bank (IDB) Group. LAAD will use the funds to invest in SMEs active in "all stages of production, storage, technology and commercialization" in Chile, Colombia, Costa Rica, the Dominican Republic, Guatemala, Nicaragua and Peru. A portion of the funds are reserved to strengthen LAAD's system for gauging the social and environmental impact of its work. For the year ending October 2017, the firm reported income of USD 25 million on assets of USD 816 million. April 2, 2018

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MICROCAPITAL BRIEFS

RSA, FMO Syndicate \$80m for One Bank of Bangladesh

RSA Advisory of Bangladesh and Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (FMO), a development bank controlled by the Dutch government, recently arranged a five-year syndicated loan of USD 80 million for One Bank of Bangladesh, mainly for on-lending to small and medium-sized enterprises (SMEs) and projects that reduce environmental impact. The investors include institutions affiliated with the governments of Austria, France and Norway, as well as the SME Finance Fund, which is managed by FMO and Dutch “responsible fund and asset manager” Actiam. Founded in 1999, One Bank reports total assets equivalent to USD 2.7 billion. April 27. 2018

Twiga, Supplier to Kiosks in Kenya, Uses Mobile Data for Lending

Twiga Foods, a distributor of produce to 2,600 *mama mbogas* (kiosks) in Kenya, recently began lending to its customers via SMS (short message service, also known as text messaging). The blockchain system, which was designed by local staff of US-based technology firm IBM, assesses a customer's creditworthiness based on his or her “purchase records from a mobile device.” During an eight-week pilot phase, 220 owners of *mama mbogas* borrowed an average amount equivalent to USD 30. The cost was 1 percent for four days or 2 percent for eight days, with loan proceeds going directly to purchase inventory from Twiga Foods. Kiosks' order sizes went up by 30 percent, and profits increased by 6 percent. Twiga Foods, which sells on a cash-free basis, has raised USD 13 million since it was founded in 2013. April 25. 2018

KIF of Timor-Leste Designing Mobile Banking for Women, Farmers

Kaebauk Investimentu no Finansas (KIF), a non-banking financial institution in Timor-Leste, is partnering with the World Bank Group's International Finance Corporation to develop a mobile banking system with a “special focus on women.” The goal is to reach 50,000 people, including 10,000 farmers by 2020. The effort, which has received financial support from the government of Australia, is slated to include a savings product called Kaebauk Osan, as well as other services accessible by mobile phone and via banking agents. Launched in 2001 as Tuba Rai Metin, KIF offers loans for “a wide range of activities such as agriculture, education, business, home improvement and vehicles.” While it doesn't publish its loan rates, it advertises an annual savings interest rate of 3 percent. KIF provides services door-to-door as well as at 20 branches. It reports total assets of USD 17 million. April 23. 2018

Haiti's Palmis Eneji Borrows \$31k for Efficient Appliance Sales

The Grameen Credit Agricole (GCA) Foundation, whose head office is in Luxembourg, recently informed MicroCapital that it is lending approximately USD 31,000 to Palmis Eneji, a social business in Haiti that sells energy-efficient lighting and cooking appliances via 180 franchisees. From 2013 through 2016, the firm reports saving 34,000 households the equivalent of USD 3.1 million in energy costs, including 46,000 tons of wood. The GCA Foundation owns a 15-percent stake in Palmis Eneji. The firm's other shareholders are France-based NGO Entrepreneurs du Monde and Germany-based NGO Yunus Social Business. April 18. 2018

Applications Open for \$123k European Microfinance Award

Through May 23, the Luxembourg-based European Microfinance Platform (e-MFP) is accepting applications for the European Microfinance Award, which is themed “Financial Inclusion through Technology” for 2018. The top prize is the euro-equivalent of USD 123,000. For more details, please see the sponsored interview on page 5. April 17. 2018

Malaysia Lending \$6m to Young Chinese Entrepreneurs for Tech

The government of Malaysia recently committed the equivalent of USD 6.4 million to a microcredit program intended to help Chinese-Malaysian business owners “evolve their businesses into tech-savvy outfits.” Prime Minister Najib Razak reportedly described the program as intended “to transform traditional [small and medium-sized enterprises] SMEs so that they can remain competitive and relevant, and help our rural products go global.” Known as the Micro-Credit E-Commerce Scheme, the program is targeting entrepreneurs aged 18 to 45 via 40 chambers of commerce and other associations in Malaysia that primarily serve people of Chinese descent. April 16. 2018

India's Altum Credo Raises \$10m for Housing Finance

Altum Credo, a housing lender serving low- and moderate-income Indians, recently raised a total equivalent to USD 9.8 million from investors including Aavishkaar Venture Management Services, an India-based investor seeking to “enhance livelihoods and reduce vulnerabilities for the low-income population,” and PS Pai, who is known for his tenure at the Murugappa Group, an Indian conglomerate. The amounts they invested and the names of the other investors - identified only as high-net-worth individuals - have not been released. Altum Credo offers loans for home improvement, home purchases and “self-construction” in amounts ranging from USD 3,000 to USD 38,000 with terms of up to 15 years. The firm also lends for refinancing as well as for micro-, small and medium-sized enterprise. It has 15 branches and is expanding in several states in Western and Southern India. Financial details on the firm are not available. April 12. 2018

Nigerian Partners Plan 500k SANE Financial Service Points

Under Nigeria's new Shared Agent Network Expansion (SANE) program, the Central Bank of Nigeria, mobile-money operators, retail banks and “super agents” - organizations of 50 or more financial services agents - have agreed to create a network of 500,000 agents to offer services such as transferring funds to and from family members, vendors and the government. As part of the scheme, 50 million people will acquire biometric-linked bank identification numbers. The goal is for the agents to engage 60 million users by the end of the third year. Among other program benefits, SANE promoters cite the creation of new jobs as agents, the deployment of whom is to focus on the northern part of the country. April 11. 2018

MFIs in Armenia, Kazakhstan Borrow \$11m from C-Quadrat Fund

Two microfinance institutions (MFIs) - one in Armenia and one in Kazakhstan - recently borrowed a total of USD 11 million from the Austria-based Dual Return Vision Microfinance Fund. The identities of the MFIs and the amounts each borrowed remain confidential. The fund and its local-currency counterpart hold assets valued at a total of USD 698 million. C-Quadrat manages the equivalent of USD 12 billion in assets. April 11. 2018

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For questions, comments or suggestions, please contact us via
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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!

E-lender Branch Raises \$70m in Debt, Equity; Entering India

Branch International, a for-profit lender to 1 million mobile-phone subscribers in Kenya, Nigeria and Tanzania, recently raised USD 70 million with the goal of expanding within Africa, entering the Indian market, and launching savings and transfer services. While the amounts invested by each party remain confidential, US-based Trinity Ventures led the fundraising round with participation from US-based venture capital firm Andreessen Horowitz, China's CreditEase Fintech Investment Fund, US-based Victory Park Capital and the World Bank Group's International Finance Corporation. Branch evaluates the creditworthiness of applicants by harvesting data from their phones. Loans range in size from USD 2.50 to USD 500 with terms of 4 to 64 weeks and monthly interest rates from 1 percent to 21 percent. Branch reports that 75 percent of its retail loans are used for entrepreneurial efforts. The firm, which had previously raised USD 10 million since its founding in 2015, has offices in India, Kenya, Nigeria and the US. April 10, 2018

Mowgli Mentoring to Support Syrian Refugees in Jordan

UK-based NGO Mowgli Mentoring recently secured funding from the Sanad Technical Assistance Facility, which is affiliated with the Luxembourg-domiciled Sanad Fund for MSME (Micro-, Small and Medium-sized Enterprise), to engage 15 Jordanian businesspeople in mentoring a like number of Syrian refugees who are operating businesses in Amman. The personal and professional mentoring lasts six months. Oesterreichische Entwicklungsbank (OeEB), the development bank of the government of Austria, is funding the project. April 6, 2018

Mayfair's Performance Earns It Cash to Insure Crops in Zambia

The Zambian subsidiary of Mayfair Insurance Company Kenya recently secured an unspecified amount of additional funding for its crop insurance product from the Dutch government via the World Bank Group's Global Index Insurance Facility. The product is offered under the Farmer Input Support Programme, through which the government of Zambia subsidizes farmers' purchases of seeds, fertilizer and weather-index insurance. This type of insurance pays out if weather conditions cross certain predefined parameters. To date, Mayfair Zambia is to issue USD 4.1 million to 300,000 beneficiaries due to the low amount of rain that fell during the 2017-2018 growing season. Mayfair Zambia earned the new funding by successfully insuring 100,000 farmers for that season, and the new contract commits the company to insuring 400,000 farmers for the 2018-2019 season. For 2016, Mayfair Kenya, which operates in four countries, wrote premiums totaling USD 23 million. April 6, 2018

World Bank Funding Small Business, Financial Access in Bhutan

The International Development Association, a unit of the World Bank, recently approved a loan of USD 30 million to the government of Bhutan in an effort to strengthen its financial management, create jobs and "improve the investment climate" in the country by increasing: (1) domestic revenue; (2) access to financial services; (3) the number of small firms using existing business incubators; (4) the number of highly qualified teachers; and (5) energy efficiency. The loan has a term of 40 years and bears no interest. April 4, 2018

FMO Syndicates \$100m for Value Chains via Nigeria's Access

Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (FMO), a development bank controlled by the Dutch government, recently arranged a syndicated loan totaling USD 100 million for Access Bank, which has 385 service points, mostly in Nigeria. The funding is intended for lending in USD to firms involved in the production, processing and distribution of agricultural goods, with a focus on export crops, such as cocoa, dairy, grains, seeds and palm oil. The loan funds are being supplied in unspecified portions by FMO and various institutional investors. Those that have chosen to be identified are associated with the governments of Finland, France, Norway and Sweden. Access Bank reports USD 10 billion in assets, 8 million customers and 4,200 staff members. April 4, 2018

Ant Buys 45% Stake in Pakistan's Telenor Microfinance for \$184m

Zhejiang Ant Small & Micro Financial Services Group, which is controlled by Jack Ma, a co-founder of Chinese web retailer Alibaba, recently agreed to pay USD 184 million to acquire a 45-percent stake in Telenor Microfinance Bank, a Pakistani unit of Norway's Telenor Group. Telenor Microfinance, which has 20 million customers, launched its Easypaisa mobile banking service in 2009. Ant CEO Eric Jing said, "Today, we are very happy to share our technology knowhow with Telenor Microfinance Bank to bring improved user experience on the Easypaisa mobile payment platform, as well as provide inclusive financial services in a transparent, safe, low cost and efficient way to the unbanked and underbanked population in Pakistan." Ant's mobile payment service, Alipay, has 520 million users in 40 countries. Telenor Microfinance has total assets equivalent to USD 340 million. The Telenor Group reports 2017 revenues of USD 16 billion from its operations in 12 Eurasian markets. April 3, 2018

Grameen Credit Agricole Lends \$3m in Georgia, Tajikistan

The Grameen Credit Agricole Foundation, whose head office is in Luxembourg, recently informed MicroCapital that it is disbursing three-year loans of approximately USD 1.5 million each to micro-finance institutions Lazika Capital of Georgia and Humo of Tajikistan. Lazika lends for trade, agriculture and consumption; it is seeking to grow in rural areas as well as by serving more small and medium-sized enterprises. It reports total assets of USD 11 million and a gross loan portfolio of USD 7.7 million outstanding to 6,800 borrowers served via 16 offices. Humo describes its mission as to serve "the rural population, as well as to promote the development of small and medium-sized businesses in poor areas of Tajikistan." It reports total assets of USD 28 million, a gross loan portfolio of USD 23 million outstanding to 33,000 borrowers, and USD 3 million in deposits held for 600 customers, whom it serves at 20 offices. April 1, 2018

ADB Bets \$100m on Supply-chain Lending via Alternative Scoring

The Philippines-based Asian Development Bank (ADB) recently added USD 100 million to its Supply Chain Finance Program (SCFP), a risk-sharing mechanism it launched in 2012. SCFP boosts lending to small and medium-sized enterprises (SMEs) in the Asia-Pacific region by providing partial guarantees to banks that evaluate SMEs' credit-worthiness as follows: "Rather than focusing on balance sheets and collateral, which tend to be weak at SMEs, supply chain finance focuses on the history of performance, longevity, and nature of relationships within a supply chain." Since its inception, SCFP has partnered with international banks on 550 transactions valued at USD 500 million. The plan for the new funding includes reaching "more challenging markets," by "working with local banks and increasing the use of technology." ADB, which has 67 country members, disbursed USD 17.5 billion during 2016. March 29, 2018

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SPECIAL REPORT

This sponsored content was written by Edmund Higenbottam, the Managing Director of Verdant Capital, with collaboration from Praveen Nair of IMAP India. IMAP, with partner firms in 40 countries and a total of more than 500 professionals, is the world's largest M&A partnership. Verdant Capital is IMAP's partner for sub-Saharan Africa.

Aadhaar: Lessons for the African Continent?

In 2009, India launched the world's largest IT project, i.e. the Aadhaar biometric identification program. The program is intended to drive social and financial inclusion, reform public-sector service delivery, improve fiscal management, increase convenience, etc. An Aadhaar number can be viewed as a permanent financial address. Considering that almost the entire Indian population is now enrolled in Aadhaar - the underprivileged as well as the rich - it also can be viewed as a tool for justice and equality.

The program consists of the following:

- A demographic database with a 12-digit number for each person, secured by fingerprint and retina scan authentication;
- Data records with an individual's name, date of birth, age, gender, physical address, phone number, etc. - some of which require verification, while others are optional;
- The establishment of new payment banks;
- The ability to open a bank account instantly using a mobile phone;
- The launch of a unified payment interface, i.e. one phone app that can perform transactions at all banks;
- The ability to perform transactions using only a fingerprint and an Aadhaar number; and
- A cloud-based platform (i.e. India Stack) for storing documents such as bank statements, employment records, tax filings, etc.

Over 1.1 billion individuals have been enrolled in Aadhaar - over 99 percent of Indians above the age of 18, which is over 17 percent of the world's population (*source: Unique Identification Authority of India*). Africa - which is similar in population and GDP to India - does not have a similar system. A critical reason for this, at the risk of sounding flippant, is that Africa is 54 separate countries whereas India is one. Africa does have several mobile banking systems, some of which have been incredibly successful at serving people who were previously unbanked. However, none are linked to a biometric database in the way that bank accounts in India are linked to Aadhaar.

Financial inclusion is often cited as the greatest achievement of Aadhaar. Two key barriers it has addressed are KYC and convenience/accessibility. Previously, the KYC documentation required to open bank accounts and the clumsiness of paper-based transactions dissuaded many Indians from banking. The cash-centric culture in the country was no help in this regard. Banks also faced difficulty in delivering "low-value" financial products in rural areas. With the cost of rural lending as high as 41 percent of the value disbursed, simply opening branches in rural areas was not a viable solution. The switch to e-KYC significantly reduced these costs (*source: Livemint*).

As of 2012, close to half the Indian population did not have a bank account (*source: The Wall Street Journal*). As a result of the Aadhaar

program, over 270 million people opened bank accounts (*source: IMAP India*). Over 60 percent of Indian adults are now financially included (*source: Financial Inclusion Insights*), and the Indian government claims that over 99 percent of both urban and rural households include at least one person who has a bank account.

Similar benefits are visible if we focus on the lower part of the pyramid. The microfinance loan portfolio in India has seen CAGRs in excess of 30 percent for the last seven years (*source: Caspian Impact Investment Adviser*). As of 2016, India's microfinance loan portfolio was USD 14.7 billion, almost twice Africa's USD 8.7 billion (*source: "Microfinance Barometer 2017"*). The growth of the microfinance sector has led to numerous microfinance institutions growing large enough to tap mainstream capital markets. Since 2011, 72 Indian microfinance institutions have launched IPOs, compared to only 17 on the African continent (*source: Caspian Impact Investment Adviser*).

While Indians can use their Aadhaar-linked bank accounts to receive public subsidies and unemployment benefits (*source: DNA India*), few African countries have sophisticated mechanisms for delivering entitlements. Although South Africa is an exception, that country's recent challenges with the service provider Net1 highlights the hurdles that must be overcome to implement these systems. Direct deposit is another service available in India that could be valuable in Africa.



Over 99 percent of adults in India have enrolled in Aadhaar.

Biometric systems do exist in the financial services sector in Africa. The Nigerian government, for example, has embarked on a biometric identification initiative, and 20 million Nigerians have been enrolled thus far (*source: Planet Biometrics*). Biometrics have helped Nigeria discover over 23,000 fraudulent accounts, part of an anti-fraud effort that is estimated to save the Nigerian government over USD 11.5 million every month (*source: Find Biometrics*). Several other African countries are also keen to replicate the Aadhaar program. Morocco has arguably shown the most interest, having sent a study delegation led by Interior Minister Nouredine Boutayeb to India in October 2017 (*source: The Economic Times*).

Implementing such a wide-reaching project in Africa would have its challenges, of course. Aadhaar, for example, has had its share of criticism from privacy advocates. The cost of the project could also be a challenge. India spent USD 180 million on Aadhaar during the 2016-2017 fiscal year (*source: UIDAI*). Although this is less than USD 0.20 per person captured, the costs would likely be much higher for a single African country, which would not have the economies of scale that come with serving more than one billion people. 🇮🇳

SPECIAL REPORT

This feature is part of a sponsored series on European Microfinance Week, which will be held from November 14 through November 16 by the European Microfinance Platform (e-MFP), a 130-member network located in Luxembourg. MicroCapital has been engaged to promote and document the event.

European Microfinance Award

MicroCapital: Each year, the European Microfinance Award covers a different theme. Why technology and why now?

Christoph Pausch: We are at a fascinating time in the evolution of financial inclusion. A whole new range of technology-enabled solutions has the potential to reduce costs, improve efficiencies, facilitate communication and remove artificial borders for people who have been excluded from the formal economy. These solutions include credit, insurance, savings, payments and transfer services. As a strengthening alternative to cash, mobile money can have special benefits for women, rural communities and the very poor. Among the Award applicants, we hope and expect to see a real diversity of financial services providers beyond the traditional MFI, such as mobile network operators and money transfer organisations.

MC: Do these technology-enabled services carry new risks for clients?

CP: The organisers chose *Financial Inclusion through Technology* to focus not just on the opportunities of this rapidly changing landscape, but the risks to clients as well. Technology, as we have seen in the news recently, can lead to abuses of privacy. This is true in financial inclusion as well. Reducing the human element of the microfinance model can threaten the safeguards that protect clients, exposing them to risks such as increased over-indebtedness, fraud or misuse of data. This is especially true when working with vulnerable people, many of whom have low financial literacy or numeracy. But technology is not going away; you can't put the toothpaste back in the tube! So the focus should be on

responsible finance: client protection, safeguards, and monitoring or regulation where appropriate. Whichever the winner of this year's Award turns out to be, it'll be an organisation that has thought carefully about all these issues and put responsibility to the client at the centre of its work.

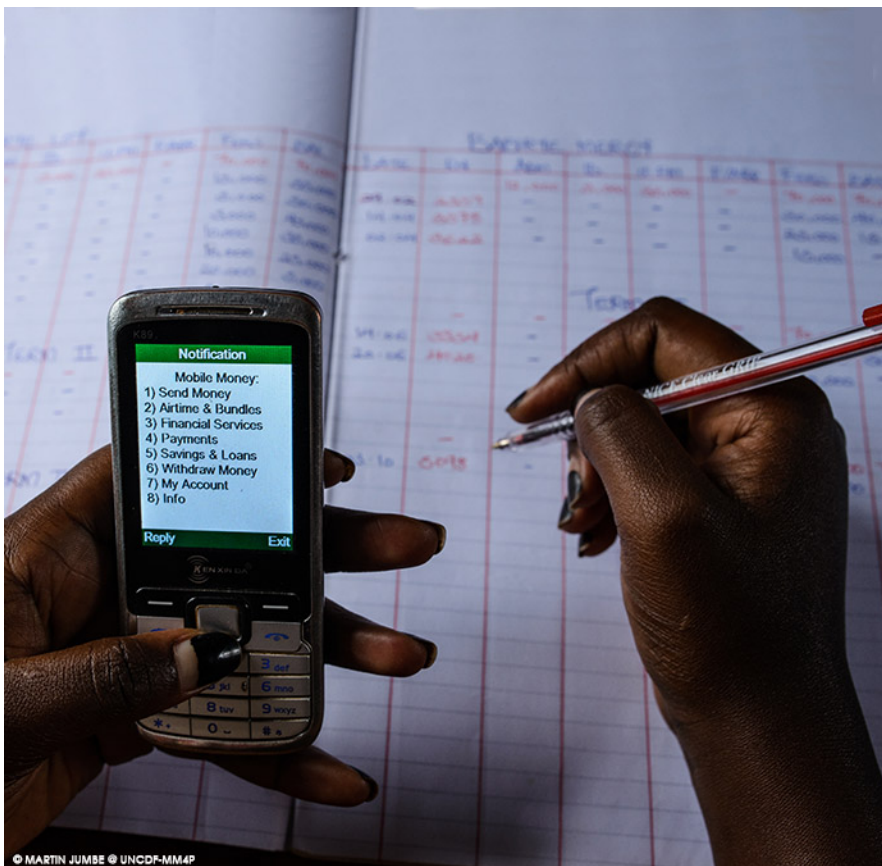
MC: Client offerings tend to get all the attention. What's new in the back office?

CP: The evaluation teams will be looking for technology solutions not just on the client-facing side, but on the institutional side, too - for example, ways in which back-office technology can help loan officers and bank agents communicate from remote areas, access data in real time or verify clients' IDs. This might involve biometric data or tablets to access cloud-based management information systems, directly improving service delivery.

MC: How has this ninth European Microfinance Award evolved since the first?

CP: It's changed a lot! It's now annual, after being biennial for the first few years. In addition to the EUR 100,000 for the winner, cash prizes of EUR 10,000 are now presented to the two runners-up as well. And the evolution of the Award themes reflects the sector's continued move beyond microcredit towards a more holistic perception of financial inclusion. Mainly though, the Award has increased in exposure each year. Previous winners have benefitted from great opportunities for investment and partnership. This is something that we at e-MFP and the other Award organisers try to maximise. The purpose of the Award is not just to reward excellence but also to highlight successful models that can be reproduced elsewhere!

Christoph Pausch serves as Executive Secretary of e-MFP. The European Microfinance Award is jointly organised by the Luxembourg Ministry of Foreign and European Affairs, e-MFP and the Inclusive Finance Network Luxembourg. Applications for the European Microfinance Award are due May 23. To apply, visit <http://www.european-microfinance-award.com>.



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EAR TO THE GROUND

Tough Love in Honduras: Financial Inclusion as the Result of Gender Equity Rather than the Source

I had the honor of being invited by the Honduran Microfinance Network (REDMICROH) to be the keynote speaker last week at an event called “Financial Education, a Path Toward Gender Equity.” While I was uncomfortable with the title, I thought it could be a good opportunity to discuss this controversial idea and propose alternative paths to equity. I also saw it as a chance to debunk the argument that financial inclusion is valuable solely for its own sake.

The 2017 World Bank Findex data, which came out shortly after my presentation, support this idea. World Bank President Jim Yong Kim declared, “Financial inclusion allows people to save for family needs, borrow to support a business, or build a cushion against an emergency. Having access to financial services is a critical step towards reducing both poverty and inequality.” Although Findex data show people are holding record numbers of accounts worldwide, contrary to Dr Kim’s statement they seem to be *less* financially resilient. The percentage of women over the age of 15 who said it would be impossible to come up with emergency cash grew from 40 percent in 2014 to 46 percent in 2017. The rate for men also increased - from 34 percent to 38 percent. While savings represent the main source of emergency funds for about a third of surveyed participants, 58 percent still resort to taking on extra work or borrowing from family and friends to cope with emergencies.

There is also limited evidence to support Dr Kim’s claim that financial inclusion drives business. Many of the informal businesses around the world still lack the preconditions for success. For women, this is often worse than it is for men. In one study we conducted with IDB/MIF in

2013, we found that women in Colombia start businesses with less savings and less experience. They have 28 percent fewer assets and 30 percent lower sales than men. Another problem is that women often are clustered in sectors that are less profitable, and they compete on price rather than quality. These and other constraints start them off at a disadvantage vis-à-vis men. This leads to conditions like those we found in another study in which businesses run by women MFI clients had roughly 25 percent lower sales, income and profits than those run by men.

So as I reflected on what women need to achieve gender equity with a room full of financial experts in Honduras, I reminded them that financial education providers should not peddle products that women have already spurned just to close a gender gap. Instead, it should offer training that leads to increased profitability and growth. This will, in turn, give women a reason to seek loans and deposit accounts, rather than the other way around. In the past, business training was deemed too costly and complicated. But today’s new technologies, including artificial intelligence that can tailor learning content to places and times that clients need it, can help achieve scale without huge costs. If we really want to achieve gender equity, the time has come to rethink women’s economic activity and support women in developing thriving businesses.

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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MICROCAPITAL MARKET INDICATORS BANGLADESH

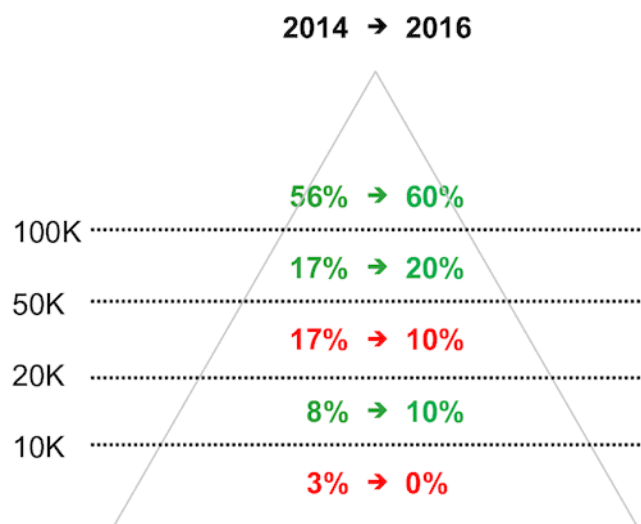
POWERED BY

30 MICROFINANCE INSTITUTIONS (MFIs) REPORTING¹

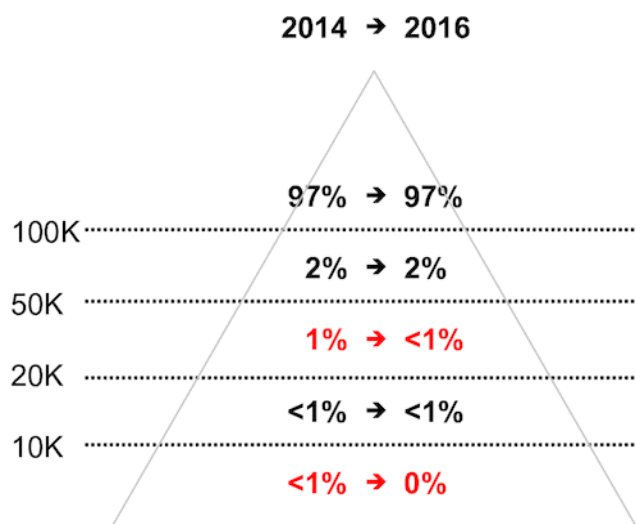
TOP MFIs BY GROWTH IN GROSS LOAN PORTFOLIO: CHANGE IN USD

MFI NAME	AVERAGE ANNUAL USD INCREASE	AVERAGE ANNUAL % INCREASE	2014	2016
Association for Social Advancement (ASA) Bangladesh	395,230,880	30	1,128,556,358	1,919,018,117
BRAC Bangladesh	299,030,280	23	1,170,553,782	1,768,614,342
Grameen Bank	161,400,615	13	1,175,667,948	1,498,469,179
BURO Bangladesh	97,374,046	39	211,835,064	406,583,156
Society for Social Services	42,647,230	35	105,333,878	190,628,338
Thengamara Mohila Sabuj Sangha Micro Credit	31,505,820	17	168,907,115	231,918,754
Sajida	28,236,090	60	36,464,589	92,936,769
Padakhep Manabik	23,079,552	35	55,888,606	102,047,709
Bangladesh Extension Education Services	16,908,585	46	29,945,135	63,762,304
Shakti Foundation	14,717,255	28	46,706,013	76,140,523

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, April 2018

UPCOMING EVENTS

Africa Financial Services Investment Conference

May 2 - May 4, 2018; London, UK

This sixth iteration of “AFSIC” will again focus on how to attract investment into Africa’s financial services industry. The event offers 150 panelists on topics such as: (1) An Examination of African Fintech Investment Opportunities; (2) Leveraging Technological Innovation to Lower Real and Perceived Risks in Africa for Financial Institutions and Investors; and (3) New Ways to Finance Microfinance Banks. The fee to attend is EUR 1,100 plus VAT, with various discounts available. For more information, you may visit <https://www.afsic.net/> or email [event\[at\]afsic.net](mailto:event[at]afsic.net). No telephone number is offered.

ICT4D (Information and Communications Technology for Development)

May 8 - May 10, 2018; Lusaka, Zambia

Now in its tenth iteration, this event will address how technology can help meet the UN’s Sustainable Development Goals. Sessions will be themed around areas including Digital Financial Inclusion, Agriculture & Environment, and Collaboration & Openness in ICT (Information and Communications Technology). The full fee to attend is USD 1,000 for three days or USD 400 per day. A range of discounts is also available. For more information, you may visit <https://www.ict4dconference.org/>, call +1 410 951 7454 or send an email via the event website.

Global Forum on Remittances, Investment and Development Asia-Pacific

May 8 - May 10, 2018; Kuala Lumpur, Malaysia

This forum is intended “to showcase good practices and build partnerships to leverage the role of remittances in countries and communities of origin towards achieving the Sustainable Development Goals (SDGs)” of the UN. Attendance is by invitation only. More details are available via <http://gfrid2018.org/>, [info\[at\]GFRID2018.org](mailto:info[at]GFRID2018.org), +39 065 459 5066 or +60 326 916 545.

Global Savings Groups Conference

May 22 - May 24, 2018; Kigali, Rwanda

This fourth iteration of this conference is themed “The Power of Savings Groups. Inclusion. Resilience. Empowerment.” Sessions will cover increasing scale, connecting with formal financial services and gender issues. The fee to register is USD 750, with a rate of USD 650 available for members of the SEEP (Small Enterprise Education and Promotion) Network. For more information, you may email [SGConference\[at\]seepnetwork.org](mailto:SGConference[at]seepnetwork.org), call +1 202 534 1400 or visit <http://mangotree.org/SG2018>.

8th Global Housing Finance Conference

May 29 - June 1, 2018; Washington, DC, USA

Themed “Breaking the Mold - New Ideas for Financing Affordable Housing,” this event offers sessions on technology, green housing and bond funding as well “speed dating” between financiers and implementers. The fee to attend is USD 1,000. You may request more details from Noxi Nyathi at +1 202 473 4265 or [housingfinance\[at\]worldbank.org](mailto:housingfinance[at]worldbank.org), or you may visit <http://www.worldbank.org/en/events/2018/05/30/8th-global-housing-finance-conference#2>.

Finnovation Africa: Kenya 2018

May 31, 2018; Nairobi, Kenya

The topic of this conference is Digital Transformation of Banking - Driving Constructive Economic Outcomes from the FinTech Ecosystem in Africa. The fee to attend is USD 1,000. For more details, you may contact Sophie McLean at [sophiemclean\[at\]ethicolive.com](mailto:sophiemclean[at]ethicolive.com) or +91 124 418 2794, or you may visit <http://finnovationworld.com/kenya>.

Global Solutions Summit 2018

June 4, 2018; New York, New York, USA

Speakers here will present “business models and financial mechanisms that...successfully deploy proven, cost-effective development solutions at scale.” There is no fee to attend, and more details are available by contacting Alfred Watkins at [alfred.watkins07\[at\]gmail.com](mailto:alfred.watkins07[at]gmail.com) or visiting <http://www.globalsolutionssummit.com/>. No telephone number is offered.

MORE DETAILS COMING SOON ON:

AVPN Conference 2018

June 4 - June 7, 2018; Singapore

Africa Innovation Summit (AIS II)

June 6 - June 8, 2018; Kigali, Rwanda

Metrics from the Ground Up

June 12 - June 13, 2018; Washington, DC, USA

Cracking the Nut 2018: Promoting Agricultural Technology Adoption & Resilience

June 12 - June 13, 2018; Antigua, Guatemala

Subsistence Marketplaces Conference

June 22 - June 24, 2018; Champaign, Illinois, USA

Global Sustainable Finance Conference

July 12 - July 13, 2018; Karlsruhe, Germany

8th Annual Central Asian & Caucasus Microfinance Forum

September 6 - September 8, 2018; Almaty, Kazakhstan

International Conference on Sustainable Development

September 12 - September 13, 2018; Rome, Italy

Sa-Dhan National Conference

September 19 - September 20, 2018; New Delhi, India

Global Youth Economic Opportunities Summit

September 25 - September 27, 2018; Washington, DC, USA

SEEP Annual Conference

October 1 - October 3, 2018; Arlington, Virginia, USA

Microfinance Centre-European Microfinance Network Conference

October 3 - October 5, 2018; Bilbao, Spain

Opportunity Collaboration

October 14 - October 19, 2018; Cancún, Mexico

SOCAP18

October 23 - October 26, 2018; San Francisco, California, USA

14th International Microinsurance Conference

November 6 - November 8, 2018; Lusaka, Zambia

European Microfinance Week

November 14 - November 16, 2018; Luxembourg

Financial Inclusion in a Digital Economy

November 23 - November 24, 2018; Amritsar, India 🇮🇳

PAPER WRAP-UPS

Microfinance for Housing: Building New Foundations in Housing Microfinance

By Sam Mendelson, Katarzyna Pawlak, Ewa Bańkowska, Gabriela Erice and Daniel Rozas; published by the European Microfinance Platform; April 2018; 40 pages; available at http://www.e-mfp.eu/sites/default/files/resources/2018/04/European%20Dialogue%20no_12_web_0.pdf

This report presents the status, trends and potential of the housing portion of the microfinance sector, including case studies of the 10 semi-finalists for the 2017 European Microfinance Award. In addition to content specific to the eight past European Microfinance Awards, the authors outline the status of low-income housing globally and discuss why housing microfinance has been slow to develop.

To help service providers address the lack of affordable housing worldwide, they identify the following factors of successful housing programs: (1) commitment to technical assistance; (2) use of partnerships; (3) flexibility in product design; (4) income-generation opportunities; (5) new approaches to collateral; (6) new approaches to calculating household income; and (7) a holistic vision that reflects the complexity of the challenges and varied customer needs.



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Female Smallholders in the Financial Inclusion Agenda

By Emilio Hernandez, Yásmín Bin Humam, Riccardo Ciacci, Niclas Benni and Susan Kaaria; published by CGAP (Consultative Group to Assist the Poor); April 2018; 4 pages; available at <http://www.cgap.org/sites/default/files/Brief-Female-Smallholders-in-the-Financial-Inclusion-Agenda-Apr-2018.pdf>

The authors of this paper find that female smallholder farmers in Mozambique and Tanzania are less financially included in formal financial services than men. These women also have lower income levels, educational attainment and economic diversification. The disparity is higher in wealthier households than in poorer ones. The researchers' recommendations include helping women address "discriminatory social norms, lack of...IDs..., agricultural productivity, and so forth."

Protecting Savings Groups Reached Through High-Tech Channels: Guidance from the New Client Protection Principles for a Digital Savings Product

By Bonnie Brusky, Bobbi Gray, Christian Loupeda, Megan Gash and Valerie de Briey; February 2018; 42 pages; available at <https://uncdf-cdn.azureedge.net/media-manager/84615>

Based on a case study of an effort to merge client protection into digital group savings for women in rural Burkina Faso, the authors identify the following challenges and risks: (1) limited client knowledge; (2) high costs; (3) network downtime; (4) potential misuse of client information by mobile money agents; (5) insufficient agent liquidity; (6) lack of client dispute mechanisms; and (7) various cultural and technical barriers. 📖

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