

MICROCAPITAL BRIEFS | TOP STORIES

Prizma of BiH to Borrow \$2.7m from Sparkasse Bank

Please see page 3 for coverage of this “MicroCapital Deal of the Month”

Nigerian Depositors Recover \$12m, MFI Managers Under Investigation

The Nigerian Deposit Insurance Corporation (NDIC), an agency of the federal government of Nigeria, reportedly has launched an investigation into the equivalent of USD 44 million that is owed to 103 bankrupt microbanks by their managers and directors. NDIC recently disbursed USD 12 million to 71,000 depositors of the bankrupt institutions, thus reaching a total of USD 19 million paid out. NDIC also increased the maximum microdeposit insurance coverage from USD 600 to USD 1,200 and used this new limit in calculating the above payments. April 3 and April 7, 2012

Accion Launches \$10m Fund for Financial Inclusion Start-ups

Accion, a US-based nonprofit microfinance organization, has launched Venture Lab, a USD 10 million investment vehicle that will provide technical assistance, convertible debt and equity to financial inclusion start-ups in developing countries. Venture Lab plans to make investments of USD 100,000 to USD 500,000 in firms offering mobile services, branchless banking, credit assessment, leasing, social media platforms and lending for housing, education and energy initiatives. April 5, 2012

Islamic Development Bank to Place Equity of \$10m in Sudan's Irada

The Islamic Development Bank, a multilateral institution based in Saudi Arabia, recently approved an equity investment of USD 10 million in Irada Microfinance Institution Project, Sudan. Irada plans to raise capital equivalent to USD 50 million to provide Islamic microfinance products to 325,000 clients during the first five years as well as to fund other microbanks. Irada is backed by Sudan's Bank Al Khartoum, which plans to retain 70 percent of the Irada's shares. Al Khartoum has disbursed approximately USD 42 million to 90,000 customers through the Al-aman microfinance fund, which is backed by 32 domestic banking institutions and Sudan's Foundation Diwan az-Zakat. April 4, 2012

Grameen, USAID Guarantee \$2m Loan to Proempresa of Peru

The Grameen Foundation, a US-based nonprofit that promotes joint-liability lending, and the US Agency for International Development have issued a guarantee of 50 percent of a local-currency loan equivalent to USD 2 million provided by Peruvian cooperative Abaco to Peruvian microlender Proempresa. Proempresa reports total assets of USD 79 million, a gross loan portfolio of USD 57 million, 39,000 borrowers, return on assets of 1.25 percent and return on equity of 7.39 percent. March 19, 2012

Microfinance Sector Overheating in Kyrgyzstan?

The Kyrgyz National Bank, the central bank of Kyrgyzstan, reportedly has stated that the local microfinance sector is overheating. The government reports the industry grew during 2011 to the equivalent of USD 85 million, and the “growth of excessive indebtedness is observed with it.” While comparable data for 2010 are not available, data from 15 microbanks reporting to the US-based nonprofit Microfinance Information Exchange (MIX) indicate a drop in aggregate gross loan portfolio from USD 248 million in 2009 to USD 231 million in 2010. The 2011 data from MIX are not yet available. March 17, 2012

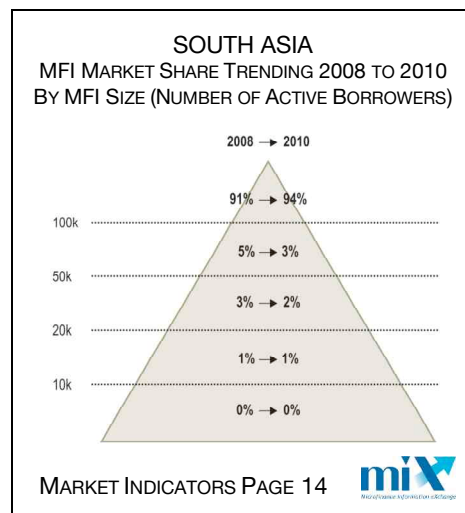
Pakistan Boosts Microloan Ceiling to \$5k

The State Bank of Pakistan has boosted the country's microloan cap from the equivalent of USD 1,630 to USD 5,440 for “trading, manufacturing, services or agriculture sectors that lead to livelihood improvement and income generation, undertaken by micro-entrepreneurs who are self-employed or have less than 10 employees.” March 27, 2012

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MICROCAPITAL BRIEFS

Lok, Proparco Invest \$5m in IMFR Rural Channels and Services

Lok Capital LLC, a Mauritius-based microfinance investment vehicle, and Proparco, a French development finance institution, recently made equity investments totaling the equivalent of USD 5 million in Institute for Financial Management and Research (IMFR) Rural Channels and Services, an affiliate of Indian business school IMFR. Rural Channels reportedly plans to use the Series A funding to expand its subsidiary microfinance institution, Kshetriya Gramin Financial Services, which offers loans, savings, insurance, remittances and investment products. The sizes of the stakes taken by Lok and Proparco have not been disclosed. April 12, 2012

RBI Dictates Details of Microborrower Communications

The Reserve Bank of India, India's central banking authority, has established new guidelines for nonprofit microfinance institutions and nonbanking finance companies aimed at improving client-side transparency. Microlenders are now required to use a standard loan agreement and quote an effective interest rate that takes into account the nominal interest rate, insurance premiums and all fees. Late-payment fees and the seizing of collateral are prohibited. Borrowers also must be given contact information for an office to which they may address complaints, and staff must inquire as to any preexisting debt a borrower may have. Finally, the boards of microlenders must approve a "fair practices" code based on these guidelines by the end of April. April 11, 2012

Women Advancing Microfinance Offers Training Scholarships

Through April 15, the New York chapter of Women Advancing Microfinance, a US-based organization that supports women working in microfinance, is accepting applications for scholarships to fund women to attend microfinance training programs. Details may be requested via [wammyscholarships\(at\)gmail.com](mailto:wammyscholarships(at)gmail.com). April 11, 2012

Wokai Raises \$870k for Microfinance in Rural China

Wokai, a US-based online microfinance fundraising platform that was launched in 2007, has reportedly raised donations totaling the equivalent of USD 873,000 to be loaned to 900 people via two Chinese microfinance institutions, the Association for Rural Development of Yilong Country in Sichuan and the Chifent Zhaowuda Women's Sustainable Development Association in Inner Mongolia. Contributors may not withdraw funds at any time. Wokai plans to reach a total of 100,000 borrowers over the next 10 years while expanding its work across central and western China. April 10, 2012

CORRECTION

A story in the March issue of this newspaper underreported the total assets of Entrepreneurs Financial Centre of Zambia; the correct figure is USD 12.2 million as of December 2011.

ABC to Raise \$50m in Capital, Offer Microfinance in Zimbabwe

ABC Holdings, which offers microfinance, mortgage and consumer lending in Botswana, Mozambique, Tanzania and Zambia, plans to raise USD 50 million in capital, underwritten by the group's major shareholder, African Development Corporation. ABC subsidiary BancABC Zimbabwe recently obtained approval from the Reserve Bank of Zimbabwe to offer microfinance products, plans for which were initially announced in this newspaper in 2010. ABC has also engaged Kenya's Shelter Afrique to seek wholesale mortgage funding. ABC Holdings reports assets equivalent to USD 687 million. April 9, 2012

Study: Kiva Lenders Biased Toward Light-skinned African Women

A recent study by Nanyang Technological University in Singapore has identified bias among users of Kiva, a US-based online microlending platform. The study found that geographic bias is the most common, with lenders being more likely to help Africans, based on the perceived relative need in the region. The study found that skin tone also plays a part in donors' decisions: "attractive, light-skinned females" tend to achieve their financial goals much more quickly than "overweight, dark-skinned, unattractive or male" entrepreneurs. Kiva reportedly is considering adjustments to the design of its website that may reduce bias based on physical appearance, including reducing the prominence of borrower photos. Kiva reported funding USD 90 million in loans to microlenders in 60 countries during fiscal year 2011. April 9, 2012

Khyber Pakhtunkhwa, Pakistan, Marks \$66m for Artisans

The government of the Pakistani province of Khyber Pakhtunkhwa has reportedly allocated the equivalent of USD 66 million primarily to be disbursed to artisans as interest-free loans by the nonprofit Sarhad Rural Support Programme. April 9, 2012

SMEs in China Pay 50% Premium to Access Capital

Data attributed to China's Ministry of Industry and Information Technology indicate that 15 percent of small and medium-sized enterprises in China are able to secure loans from banks. For this service, they often pay interest rates 20 percent to 50 percent higher than do large enterprises. Seventy percent of loans to small businesses have terms of six months or less. April 9, 2012

Census: 5% of Villages in India Have Banks

The first phase of India's 2011 census indicates that 54 percent of rural households have access to banking services, whereas 67 percent of urban households have such access. Bank access is defined living within 2 kilometers of a bank agent. Five percent of 600,000 villages included in the data have bank branches. April 9, 2012

India Becomes Supporting Member of CGAP

India has become a supporting member of CGAP (Consultative Group to Assist the Poor), a US-based nonprofit that researches microfinance. As of 2011, CGAP had 33 donors, of which 24 were members, which contribute unrestricted funds to the agency. CGAP reports total assets of USD 24 million. April 9, 2012

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IFC Lends \$75m to Yes Bank of India for Small Businesses, Farms

The International Finance Corporation, the private-investment arm of the World Bank Group, has announced that it will lend USD 75 million to India's commercial Yes Bank to support on-lending to small and medium-sized enterprises and agricultural clients. The subordinated-bond funding is expected to benefit 350,000 enterprises. Yes Bank reports the equivalent of USD 11 billion in total assets. April 9, 2012

China Establishes Goals to Improve Access to Finance for SMEs

The Chinese government's State Council recently identified 12 measures intended to improve local capital markets, financial institutions and access to finance for small and medium-sized enterprises. Highlights include: building a comprehensive financial regulatory system; accelerating the development of new organizational types including joint-stock township banks, loan companies and rural cooperatives; broadening the insurance sector; and developing financial services designed for small enterprises and agricultural companies. April 9, 2012

Advans Opens MFI in Cote d'Ivoire, IFC Invests \$1m in Equity

Advans SA, a microfinance investment vehicle managed by Horus Development Finance of France, has announced that it has launched a microfinance institution named Advans Cote d'Ivoire (ACI) in Abidjan. The World Bank Group's International Finance Corporation has purchased a 13.3-percent share in ACI in conjunction with a capital increase of USD 993,000, bringing ACI's total share capital to USD 7.5 million. Advans SA holds a 50-percent share in ACI, whose other stakeholders include the Netherlands Development Finance Company, the French Investment Fund for Sub-Saharan Africa and Societe Generale de Banques en Cote d'Ivoire. ACI offers loans ranging from the equivalent of USD 300 to USD 100,000. Advans SA also holds significant stakes in microbanks in Cameroon, Ghana, Tanzania, Democratic Republic of the Congo and Cambodia. April 8, 2012

Airtel, UT Bank to Launch FONBank in Ghana

Ghana-based UT Bank and the local branch of Indian mobile phone service provider Airtel reportedly are about to release UT FONBank, which will allow mobile phone customers to open UT Bank savings accounts and perform financial transactions without visiting a bank outlet. As of 2009, UT Bank reported total assets of USD 140 million; Airtel Ghana serves 1.76 million customers as of 2012. April 7, 2012

Nepal Requires Portion of New Branches to Open in Remote Areas

Nepal Rastra Bank (NRB), the central bank of Nepal, reportedly has announced that financial institutions will be allowed to open new branches in the capital of Kathmandu "only after they open a branch outside Kathmandu and one in any of the 30 districts recognised by NRB as deprived of any banking facility." NRB will also provide interest-free loans to banks opening rural branches. April 5, 2012

IFC Loans \$10m to NBD Bank of Russia for Small Businesses

The International Finance Corporation, the private-investment arm of the World Bank Group, has provided a five-year loan equivalent to USD 10 million to Russia's NBD Bank to support small businesses in small company towns in central Russia. The funds are expected to offer "a new line of financial services and products for small companies to help them invest in production assets and expand employment." NBD Bank reports total assets of USD 462 million. April 5, 2012

IFC to Invest \$25m in India's BanyanTree, Investor in SMEs

The World Bank Group's International Finance Corporation (IFC) reportedly plans to invest USD 25 million in BanyanTree Capital Advisors Limited, an Indian private equity investor in small and medium-sized enterprises. BanyanTree aims to raise USD 150 to 175 million in capital. As of 2011, IFC has an investment portfolio of USD 3.6 billion in India. April 5, 2012

MicroCapital Deal of the Month

Prizma of BiH to Borrow \$2.7m from Sparkasse Bank

Microcredit Foundation Prizma of Bosnia and Herzegovina has received a local-currency loan worth USD 2.7 million from Sparkasse Bank, an Austrian-owned financial institution that also operates in Bosnia and Herzegovina. Prizma offers enterprise and agricultural microloans as well as loans for housing and consumption. Loans range up to USD 7,800 with a repayment period of up to five years. Prizma has eight regional offices and 42 branches across Bosnia and Herzegovina and reports a gross loan portfolio of USD 64.4 million disbursed to 69,000 borrowers. Prizma began operations in 1997 under the name "Project Enterprise" with support from the US government. In 2001, it was registered with the national microcredit registry as "Microcredit Organization Prizma." In 2008, Prizma began operating under the Law on Microcredit Organizations as Prizma Foundation Microcredit. As of 2010, Sparkasse Bank reported total assets of USD 540 million, net income of USD 1.27 million and approximately 170,000 clients.

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Philippine Microinsurers Serve 3m with Support from ADB

According to a report attributed to the Insurance Commission of the Philippines, its microinsurance program has contributed to 3 million Filipinos acquiring insurance coverage since 2010. The unified microinsurance product for health, accident, house and livelihood charges no more than 5 percent of an individual's earnings and can provide coverage up to the equivalent of USD 4,400. A recent addition to the program is a product covering property and livelihood in case of disaster. The Asian Development Bank has provided USD 1 million in funding for the effort. April 4, 2012

Cambodian Credit Bureau Opens After 4 Years of Planning

Culminating a planning process that began in 2008, the Cambodian Credit Bureau has officially launched with the aim of centralizing loan information from Cambodia's banks and microfinance institutions. The organization is joint venture among the Cambodian Microfinance Association; the Association of Banks in Cambodia; and Veda Advantage, a private company providing risk management tools from offices in Australia and New Zealand. April 3, 2012

IFC Makes \$10m Equity Placement in Chilean Insurer Magallanes

The World Bank Group's International Finance Corporation has invested USD 10 million in equity in Chilean insurer Aseguradora Magallanes in an effort to expand the availability of life and agribusiness insurance to small-business owners in Chile. Aseguradora Magallanes reports assets equivalent to USD 214 million. April 3, 2012

Angola to Invest \$2b in SMEs

The government of Angola reportedly is investing the equivalent of USD 2 billion in small and medium-sized enterprises in the form of subsidized loans, tax rebates and support of the technology sector. The effort aims to reduce Angola's dependency on oil revenue. April 3, 2012

India Extends Deadline for New Provisioning, Classification Norms

The Reserve Bank of India, India's central banking authority, has extended the deadline for nonbanking finance company microfinance institutions (MFIs) to implement new loan-loss provisioning norms. The benchmark was to take effect April 1, 2012, but the for-profit MFIs now have until April 2013 to make provision for 100 percent of loans past due by 180 days. New requirements to maintain a minimum net worth equivalent to USD 973,000 and a minimum capital adequacy ratio of 15 percent were still to have been met by April 1, 2012. April 3, 2012

mHITS Opens Corridors from Australia to the Philippines, Ghana

Australian micropayment service provider Mobile Handset Initiated Transactions (mHITS) has launched remittance services from Australia to the Philippines and Ghana in partnership with micropayment service provider GCash of the Philippines and South African mobile service provider MTN, respectively. Recipients do not need a bank account to use the service. Senders may transfer up to USD 260 per transaction for a fee equivalent to USD 10.50 plus 5 percent of the amount sent. mHITS also offers transfers to Nepal, but its service to Papua New Guinea has been discontinued. March 28 and April 2, 2012

SIDBI Commits 30% of Fund to Equity, Debt of Small MFIs

The government-owned Small Industries Development Bank of India (SIDBI) has committed the equivalent of USD 5.8 million - 30 percent of its microfinance development fund - to small Indian microlenders that have not brought in commercial funding since the liquidity crisis began in the state of Andhra Pradesh in late 2010. SIDBI has so far sanctioned money to eight unspecified microlenders outside of Andhra Pradesh. SIDBI will offer equity to nonbanking financial companies (NBFCs) and subordinated debt to nonprofit institutions at an annual interest rate of 8 percent for seven years. Nonprofit recipients will enjoy a moratorium of up to four years on the repayment of principal, and the debt will be convertible to equity if the organization converts to NBFC status. Managing Director Mukul Jaiswal of Cashpor, a probable recipient of USD 974,000 from SIDBI, reportedly states that his organization will be able to leverage the funding to raise roughly USD 5 million from traditional banks. April 2, 2012

China's ICBC to Boost MSE Lending by \$38b

The government-owned Industrial and Commercial Bank of China (ICBC) reportedly plans to increase its lending to micro- and small enterprises by the equivalent of USD 38 billion within three years from a baseline of USD 127 billion. ICBC reports total assets of USD 2 trillion and 150 million customers. April 2, 2012

Nigerian MFIs to Adopt International Reporting Standard by 2013

Chairman Olufemi Babajide of Nigeria's National Association of Microfinance reportedly has said that the Central Bank of Nigeria is ordering microfinance banks to implement the widely used International Financial Reporting Standard by March 2013. April 2, 2012

British Journalism Competition Covers Financial inclusion

Through May 3, UK-based newspaper *The Guardian* is accepting applications from British citizens for its international development journalism competition, which aims to highlight issues that are underrepresented in the media such as "How can financial inclusion improve the lives of the poor?" Details may be found at <http://www.guardian.co.uk/journalismcompetition>. April 2, 2012

Nigeria Promotes ATMs, May Regulate E-statements, Disputes

The Central Bank of Nigeria (CBN) reportedly plans to encourage the National Assembly to approve several bills that would affect the financial sector including the Electronic Transaction Bill, which would allow the admission of electronically generated statements as evidence in legal proceedings, and the Financial Ombudsman Bill, which aims to quicken the resolution of financial disputes. CBN also plans to implement a Shared Services Initiative, which has a range of goals including increasing the number of automatic teller machines in the country. April 1, 2012

ADB to Lend \$20m to Chinese Banks to Support Rural MFIs

The Asian Development Bank (ADB), a multilateral institution based in the Philippines, has announced that it will provide a four-year loan equivalent to USD 20 million to unspecified banks to "build their wholesale lending capacity to microcredit companies" in central and western China. ADB is also working with the Chinese government to provide technical assistance and "build monitoring frameworks, ratings systems, and analytic capacity for these markets." March 31, 2012

Jagaran of India Securitizes \$3m in Microloans to Ratnakar

Indian microlender Jagaran Microfin Private Limited reportedly has sold 50 percent of its loan portfolio to Indian commercial bank Ratnakar Bank for the equivalent of USD 3.3 million. Credit Rating and Information Services of India Limited, an Indian rating agency, has given the portfolio a grade of A3(SO), indicating a "moderate degree of safety in regard to timely payment." Prior to the securitization, Jagaran had a gross loan portfolio of USD 6.87 million. A wholly owned subsidiary of Indian microlender Gram Tarang Financial Services Private Limited, Jagaran has 40 branches and 50,000 clients. March 31, 2012

Student Movement Promotes "Month of Microfinance"

The US-based Student Microfinance Movement is promoting April as a month of education and fundraising for microfinance, particularly on university and high school campuses. Activities include the Month of Microfinance Case Competition at Duke University in the US state of North Carolina, where student teams will respond to a sustainable development case scenario, and the Iowa City Two Dollar Challenge, in the US state of Iowa, which challenges participants to live on USD 2 per day for five days. Partners of the Month of Microfinance include US-based nonprofits Opportunity International, Kiva and Grameen America. March 30, 2012



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“The Evidence Project” Blog Examines Impact of Microfinance

US-based NGO Freedom from Hunger has launched a blog by one of its senior research fellows, Chris Dunford. Titled “The Evidence Project: What We’re Learning About Microfinance and World Hunger,” it may be found at <http://microfinanceandworldhunger.org/>. March 30, 2012

Western Union, MTN Offer Mobile Remittances in Uganda

Western Union, a US-based financial services provider, reportedly has launched a mobile money transfer service in Uganda that allows local customers of South African telecommunications company MTN Group “to send and receive money across borders using just their mobile phones.” Senders can transfer the funds internationally either at a Western Union branch or remotely from a bank account. MTN reports 165 million subscribers, of whom 9 million live in Uganda. Western Union has branches located in 200 countries. The fee structure of the service has not been released. March 29, 2012

IFC, European Countries Partner on Mobile Money in Rural LAC

The International Finance Corporation, the private-investment arm of the World Bank Group, is working to encourage the provision of “mobile financial services to underserved populations in remote areas of Latin America and the Caribbean.” The governments of Spain and the Netherlands will participate in the effort through technical assistance providers the Spanish Fund for Latin America and the Caribbean and the Netherlands-IFC Partnership Program, respectively. The government of Luxembourg will also participate in the project, on which details so far remain slim. March 29, 2012

Survey: Majority in Fiji Prefer Cash to Mobile Money

A survey conducted in Fiji by Tebbutt Research, a regional market research agency, and the UN-backed Pacific Financial Inclusion Program finds that 80 percent of respondents prefer cash to mobile payments. Fifty percent of respondents did not trust mobile money, and 37 percent cited a lack of information about the service. Others indicated that they feel they do not need such a service. March 29, 2012

Bill Would Tighten Government Control of Indian Microfinance

Indian Finance Minister Pranab Mukherjee reportedly will propose a Microfinance Institutions (Development and Regulation) Bill in the current parliamentary session. Drafted in July 2011, the bill would make the Reserve Bank of India (RBI) the only regulator of the microfinance sector and allow RBI to specify a maximum microloan interest rate. It also would facilitate the creation of microfinance development councils at the federal and state levels to advise governments on the sector. Lastly, it would allow RBI to create a microfinance development fund to provide loans, refinancing or other financial assistance to microlenders. The proposed size of this fund has not been revealed. March 28, 2012

Enrollment Period Open for Masters Degree in Microcredit

Spain’s Universidad Autonoma de Madrid is accepting applications through June 30 for a graduate program titled Master in Microcredit for Development. For the fifth year, Universidad Autonoma will offer this program, which is taught half in English and half in Spanish. The program accepts 20 to 25 students per year and costs the equivalent of USD 6,000. The curriculum includes an internship, a thesis and 400 hours of group presentations, discussion and tests. March 27, 2012

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MobiCash, Warid Congo, Visa Introduce Mobile Money Products

MobiCash, a Mauritius-based mobile payments company with operations in eight countries, recently announced the launch of a mobile money service in the Republic of the Congo in collaboration with mobile network operator Warid Congo, which has 400,000 subscribers. The service allows customers to make cashless transactions from mobile phones and use retail agents to deposit and withdraw money. The service resists fraud with near-sound data transfer, fingerprint scanning and voice biometrics. In accordance with requirements of the Economic and Monetary Community of Central Africa, the service will be available on all mobile networks in the Congo. While many mobile money services are limited to domestic transfers, US-based electronic payments firm Visa is reportedly launching a product that would allow mobile phone users to make payments across borders. March 27, 2012

Telenor, Adamjee Offer Free Life Microinsurance in Pakistan

Easypaisa, a branchless banking service affiliated with Norway's Telenor Group, and Pakistan-based Adamjee Life Insurance Company Limited have partnered to launch a free life insurance plan for Easypaisa users. Details on the insurance product have not been released. Easypaisa, which was launched in Pakistan in 2009 in conjunction with Telenor's Tameer Micro Finance Bank, has 14,000 agents in 600 municipalities. Tameer Micro Finance Bank has 111,000 borrowers. March 27, 2012

9m Microborrowers Have Defaulted in India Since 2010

It has been reported that 9.2 million of 32 million Indian microfinance clients have defaulted on their loans since 2010. The scale of defaults has been attributed to the Andhra Pradesh Microfinance Institutions (Regulation of Moneylending) Act that was passed in October 2010. The majority of the defaulting borrowers are women from Andhra Pradesh. According to Alok Prasad, CEO of the 46-member Microfinance Institutions Network, the repayment rate in Andhra Pradesh has fallen below 10 percent, but "the repayment rates of microfinance clients outside Andhra are at 98-99 percent levels." March 27, 2012

Bangladesh-based BRAC to Expand Projects in Tanzania

Nonprofit BRAC (formerly the Bangladesh Rehabilitation Assistance Committee) reportedly plans to expand "pro-poor development projects in health, education, microfinance, farming and livestock" in Tanzania, where BRAC has been operating since 2007. BRAC's strategy in the country emphasizes capacity building, technology transfers and credit support for women with the belief that people must be healthy and conscious of their political rights to fully benefit from microloans. BRAC has 112 branch offices in Tanzania. In its nine countries of operation, BRAC reports total assets of USD 1 billion, a gross loan portfolio of USD 620 million, 5.4 million borrowers, return on assets of 3.84 percent and return on equity of 12.4 percent. March 26, 2012

Istanbul Declaration: Balance Growth, Environment at Rio+20

Participants in the UN Global Human Development Forum that was held recently in Turkey have adopted the "Istanbul Declaration," which calls for action against social inequities and environmental degradation at the UN's "Rio+20" Conference on Sustainable Development to be held in June. The declaration proposes: (1) adoption of a global vision that combines equitable growth with environmental sustainability; (2) mobilization of global capital and local resources to fund solutions for environmental and social problems; and (3) empowerment of women. March 23 and March 26, 2012

CARE, Orange, Equity to Bring Mobile Banking to Groups in Kenya

Cooperative for Assistance and Relief Everywhere (CARE) International, a Swiss NGO; Kenya's Equity Bank; and French telecom operator Orange are partnering to provide Kenyan savings groups with banking services via mobile phones. CARE village savings and loan associations will be able to make deposits and withdrawals at Equity Bank and Orange agent locations. The accounts pay interest of 2.5 percent annually. So far, 25 groups have enrolled in the program with 175 more scheduled to join in September. March 26, 2012



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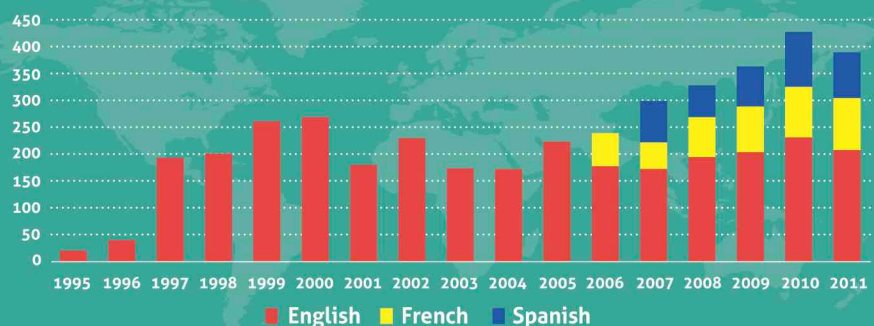
Programme de formation Boulder Microfinance 2012 en Français
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Boulder Microfinance Training Program 2012 in English
July 16th - August 3rd in Turin, Italy

Programa Boulder en Español 2012, para la Capacitación Ejecutiva en Microfinanzas
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Informal Savings in Rural Rwanda Surpass \$3m

The Rwandan affiliate of Swiss NGO Cooperative for Assistance and Relief Everywhere (CARE) International reportedly has stated that its voluntary savings and loan scheme has helped participants save the equivalent of USD 3.18 million. CARE Rwanda has identified financial literacy and transparency as key issues as well as the “need to encourage farmers to take advantage of credit services at their disposal to set up entrepreneurial projects.” CARE Rwanda’s Sustainable Access to Financial Services for Investment project claims 9,000 savings and loans groups with 233,000 total members. March 26, 2012

Japan Makes \$2.6m Equity Placement in Pakistan’s “First”

The governmental Japan International Cooperation Agency has agreed to invest the equivalent of USD 2.6 million in First MicroFinance Bank Limited-Pakistan in return for an undisclosed stake in the bank. The World Bank Group’s International Finance Corporation and Switzerland’s Aga Khan Development Network are also taking equity positions in the microbank. First MicroFinance reports a gross loan portfolio of USD 27 million and deposits of USD 62 million. March 26, 2012

FFH, Oikocredit, MFIs Develop Health Products in Ecuador, Peru

Freedom from Hunger, a US-based nonprofit, and Oikocredit, a Dutch cooperative investment fund, plan to partner with six microfinance institutions (MFIs) in the Andes mountains to implement health-related education, accounts and service linkages. Two of the six MFIs are in Ecuador: Cooprogreso and Fundacion de Apoyo Comunitario y Social del Ecuador. Those in Peru are: Agencia Adventista para el Desarrollo y Recursos Asistenciales Peru, Financiera Confianza, FINCA Peru and Microfinanzas Prisma. March 25, 2012

India’s Karnataka Vikas Grameena Reaches \$1m in Solar Finance

The government-owned Karnataka Vikas Grameena Bank (KVGB) has reached the equivalent of USD 1 million loaned since 1994 to purchase solar products for 34,100 houses in the Indian state of Karnataka. KVGB partnered with solar social enterprise Selco India on the effort to provide solar electricity products and solar water heaters, which is known as Namma Manege Nammade Belaku (Our House, Our Light). March 24, 2012

Russian Microfinance Grows 32%, Bad Debt Rising

Microfinance institutions (MFIs) in Russia reportedly disbursed loans totaling the equivalent of USD 1 billion in 2011, a 32-percent increase from 2010. An increase of 15 percent was recorded from 2009 to 2010. Recent growth has been attributed to traditional banks “tightening their credit policy.” Borrowers can obtain a microloan in approximately 30 minutes, while traditional banks require more documents and a waiting period of up to two days. Typical microloans in Russia range from USD 510 to USD 780. The average interest rate is 27 percent, compared with 20 percent offered by domestic mainstream lender Sberbank. Seven percent of microloans are not paid back, and collection agencies accepted seven times as many applications from microbanks during 2011 compared to 2010. March 23, 2012

India’s SKS Completes \$63m Securitization

India’s SKS Microfinance Limited reportedly has sold securitized microloans worth USD 63 million to four unnamed banks. The transaction bears an annual interest rate of 12 percent, 1.5 percent lower than other recent transactions. The transaction, which comprises microloans disbursed outside the troubled state of Andhra Pradesh, has been rated A1+(SO) by India’s CARE Ratings, indicating the securities “carry the lowest credit risk.” SKS reports total assets of USD 389 million, a gross loan portfolio of USD 341 million, 4.3 million borrowers, return on assets of -66.1 percent and return on equity of -152 percent. March 23, 2012

Banks Recast Loans of \$136m for India’s Basix

Unspecified banks have recently recast loans totaling the equivalent of USD 136 million for Indian microfinance institution Bhartiya Samruddhi Finance Limited (Basix). In 2011, Basix opted out of an offer from the Reserve Bank of India to refinance part of its debt without the loans being classified as nonperforming assets. It remains unclear whether the refinanced loans will count as performing. Basix Group reports total assets of USD 159 million, a gross loan portfolio of USD 155 million, 1.2 million active borrowers and operations in seven countries. March 23, 2012

Mifos Software Adds Languages, Mobile Features

The Community for Open Source Microfinance, a US-based nonprofit that recently took over leadership of the open-source microfinance software Mifos from the US-based Grameen Foundation, has released its first major upgrade since the transition. This release, called “Margaret H” after a client of a microbank that uses the software, adds automated entry of late penalties, a mobile-optimized interface, a tool for importing client data via spreadsheets, integration with the open-source cloud-computing platform CloudFoundry, compatibility with Android smartphones, the ability to switch languages more easily, and translations into Lao and Georgian. Microbanks that use Mifos reportedly serve 850,000 clients. March 23, 2012

AccessBank of Azerbaijan Increases Share Capital to \$108m

AccessBank, a microbank in Azerbaijan, recently increased its share capital to the equivalent of USD 108 million through an increase in share value and the capitalization of a portion of retained 2011 earnings. The increase brings the bank’s capital adequacy ratio to approximately 25 percent, double the minimum mandated by the Central Bank of Azerbaijan. Majority-held by several development finance institutions, AccessBank is affiliated with Germany’s AccessHolding, which also has stakes in microbanks in 5 other countries. March 23, 2012

450k in Bangladesh Borrow Islamic Microloans Totaling \$565m

The Bangladesh Bank (BB), the central bank of the country, has announced that Islamic microfinance loan activity in Bangladesh has increased from the equivalent of USD 34 million in 2009 to USD 565 million as of December 2011, representing an increase from 0.9 percent to 8.3 percent of total Islamic financing in the country. The number of borrowers increased from 211,000 to 449,000 over the same period. March 22, 2012

Nigeria’s Paga Mobile Money Receives \$2m Grant from EFINA

Nigerian mobile financial services platform Paga has received a grant of USD 2 million from Enhancing Financial Innovation and Access, a Nigerian development organization, to build and market “low-cost” financial products. Paga currently offers money transfer, deposit, withdrawal and payment services through mobile phones and the firm’s agent network. Paga CEO Tayo Oviolu, said, “...we will be working with partners such as Diamond Bank, LAPO,...ADIC and GT Assur to develop and deliver low cost financial services to all Nigerians.... Our goal is to bring financial services to over 40 million Nigerians by 2015....” Paga now has 58,000 subscribers. March 22, 2012

Fitch Improves Outlook for Grupo ACP of Peru

Fitch, a rating agency with headquarters in London and New York, reportedly has affirmed the rating of Peruvian nonprofit holding company Grupo ACP Inversiones y Desarrollo at BB-, indicating an elevated vulnerability to default. It improved the firm’s outlook from stable to positive due to “the company’s sustained performance, sound growth prospects for its core subsidiaries, and...higher expected profits.” Grupo ACP controls 23 companies that provide financial services in Latin America including Peruvian microbank Mibanco. March 21, 2012

Ghana Pursues Tighter Regulation, Enforcement

A Bank of Ghana (BOG) official reportedly has characterized the microfinance industry as rife with “unbridled and indiscriminate springing up of microfinance institutions (MFIs), with virtually no supervision,” and threatened to “close down and prosecute MFI operators” that fail to come into compliance with the licensing regime announced in the September 2011 issue of this newspaper. Roughly 300 of 3,000 MFIs in the country have so far applied for such a license. Local challenges include unsustainable returns to customers, unqualified managers and failure to maintain adequate reserves. March 21, 2012

Microinsurance Equity Fund LeapFrog Hires Steel, Thelander

LeapFrog Investments, a Mauritius-based, for-profit equity fund investing in microinsurance, has announced two new hires. David Steel, the previous managing director for strategic planning at US-based insurer American International Group, joins as director of investments for East Asia. Niclas Thelander, previous head of corporate strategy for Dutch insurer Atradius, joins as executive director of LeapFrog Labs, a nonprofit affiliate of LeapFrog Investments providing strategic advisory and research services. LeapFrog Investments holds assets of USD 137 million. March 21, 2012

Romania's Banca Transilvania Borrows \$10m from EIB

The European Investment Fund, a public-private partnership that provides risk finance to lenders to small and medium-sized enterprises in Europe, and Banca Transilvania, a privately owned Romanian bank, have signed a loan agreement equivalent to USD 10 million under the European Progress Microfinance Facility, which provides grants and loans to microlenders in the EU. Funding will be provided by the European Investment Bank, the long-term lending institution of the EU. Banca Transilvania plans to leverage the funds to disburse USD 19 million to Romanian microentrepreneurs. Banca Transilvania reports total assets of USD 6.5 billion. March 21, 2012

Details Emerge on Kenya-based Equity Fund PEAMEF

Progression Eastern African Microfinance Equity Fund (PEAMEF), a which is incorporated in Mauritius, has launched its operations in Nairobi, with the aim of improving microfinance in Kenya, Tanzania, Rwanda, Zambia and Uganda. PEAMEF plans to raise USD 40 million and achieve returns of up to 15 percent. The fund is looking to complete roughly nine deals worth the equivalent of USD 1.5 million to USD 8 million within eight years. It will seek to invest in companies involved with mobile payments, housing, credit, savings and related technology. Its investors include the Norwegian Microfinance Initiative, a public-private partnership that invests in microfinance in developing countries, and several public development finance institutions. March 20, 2012

Calvert, Citi Launch \$20m WIN-WIN Fund for Women

The Calvert Foundation, a US-based investor, has announced the launch of the Women INvesting in Women INITiative (WIN-WIN), which aims to raise USD 20 million to be invested in opportunities for women lacking access to traditional financing. WIN-WIN has received a grant of USD 1 million from the Citi Foundation, the charitable arm of US-based financial services provider Citigroup. The fund will enable women in the US and developing countries to borrow money to build small businesses and finance education. Citigroup CEO Vikram Pandit said, “Investment in...women is critical if we hope to have any success as a more equitable global society.” March 20, 2012

GRET Offers Health Insurance for Cambodian Garment Workers

French NGO Groupe de Recherche et d'Echanges Technologiques, funded by the French government's Agence Francaise de Developpement, is piloting the Health Insurance Project to offer garment workers in rural Cambodia health insurance that includes paid sick-leave. Each policy costs USD 1.60 per month, half of which is paid by the employer. In the eight factories participating so far, 30 percent of employees have participated. March 20, 2012



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Risk Advisory Firm Chatham Absorbs Subsidiary Cygma

Chatham Financial, a US-based interest-rate and currency-risk advisory firm, plans to merge operations with its subsidiary Cygma Corporation. Cygma was launched in 2007 to serve the microfinance industry, and Chatham will continue serving this market. Chatham participates in transactions totaling USD 350 billion annually. March 19, 2012

Nigerian Federation of Women Entrepreneurs Launched

A local Federation of Business Women Entrepreneurs has been launched by the Nigerian Chapter of the Economic Community of West African States (ECOWAS) with the objective of promoting trade among women-owned enterprises as well as women's access to finance and accumulation of wealth. March 19, 2012

UIDAI Task Force Recommends "Micro-ATMs" in India

A task force led by the governmental Unique Identification Authority of India (UIDAI) has recommended a payment platform using "micro-automated teller machines" (micro-ATMs) to boost financial inclusion. Individuals can access services on a micro-ATM using a fingerprint scanner and unique identification numbers called Aadhaar numbers, which are being assigned to every Indian citizen by UIDAI. Micro-ATMs, which are also known as point-of-transaction terminals, cost the equivalent of USD 200 and can allow deposits, withdrawals and fund transfers from individuals and government agencies. March 19, 2012

India's Human Welfare Foundation Offers Interest-Free Loans

The Human Welfare Foundation (HWF), an educational institute in India, reportedly will provide interest-free microloans as part of an initiative entitled Vision 2016, through which HWF is partnering with 50 NGOs on poverty alleviation, particularly among Muslims. A second NGO, Sahulat Microfinance Society, also plans to provide interest-free loans as part of the effort, which envisions the establishment of 500 microfinance institutions throughout the country. The budget for the effort has not been disclosed. March 17, 2012

Grameen Credit Agricole Issues \$3m in Loans, Guarantees in Asia

Grameen Credit Agricole Microfinance Foundation (GCAMF), which was founded in Luxembourg by French bank Credit Agricole and Grameen Trust of Bangladesh, has reported to MicroCapital that it has issued a guarantee to Indonesian microbank Mitra Bisnis Keluarga (MBK) Ventura covering half of a local-currency, two-year loan equivalent to USD 2.7 million from UK-based Standard Chartered Bank. MBK Ventura reports total assets of USD 22 million. GCAMF also issued the following loans to Asian microbanks: USD 643,800 to Arvand of Tajikistan, which reports total assets of USD 11.5 million; USD 643,800 to Humo and Partners of Tajikistan, which reports total assets of USD 6.8 million; and USD 300,000 to Tuba Rai Metin of East Timor, which reports total assets of USD 1.4 million. March 16, 2012

Uganda's USCU May Defer Repayments After Market Fire

The Uganda Savings and Credit Union Limited, an umbrella body of 1,000 savings and credit cooperatives, reportedly is considering reducing or rescheduling payments due from vendors that worked at a market that was destroyed by fire in August 2011. The microloans were funded by a government-sponsored wholesale loan equivalent to USD 284,000. March 16, 2012

Northern Darfur, Sudan, to Form Microfinance Council

Governor Osman Mohammed Yousif Kibir of the Sudanese state of Northern Darfur has announced plans to create a Higher Council of Microfinance that will be tasked with preparing: (1) strategies to develop microfinance; (2) indicators of microfinance development; (3) financial education materials; and (4) client protection policies. According to a statement attributed to Sudanese Vice President Ali Osman Mohamed Taha, Governor Kibir will serve as chairman of the council with Ali Mahmoud Abdul-Rassoul, Minister of Finance and National Economy, as his deputy. March 16, 2012



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Prince Charms Women with Loan Fund in Rivers State, Nigeria

Former Nigerian gubernatorial candidate Prince Tonye Princewill has committed the equivalent of USD 165,000 to a microfinance fund for women living in the Nigerian state of Rivers. Much of the fund will be disbursed by the government-backed Rivers State Microfinance Agency in units of USD 6,300 to each of the 23 municipalities in the state. March 16, 2012

IFC Loans \$25m to Banco BBVA Panama for Farmers, SMEs

The World Bank Group's International Finance Corporation has agreed to provide a five-year credit line of USD 25 million to Banco BBVA Panama to expand its lending to farmers and small and medium-sized enterprises with the aim of promoting regional economic integration. Banco BBVA Panama has total assets of USD 2.2 billion, deposits of USD 1.5 billion and 70,000 customers. IFC has a portfolio of USD 529 million invested in nine private-sector projects in Panama. March 16, 2012

Airtel, uniBank, Star Offer Free Life Insurance in Ghana

Commercial financial institution uniBank Ghana reportedly has partnered with the local arm of Indian telecommunications firm Airtel and Ghana-based insurance provider Star Microinsurance Services Limited to offer free life insurance coverage to the subscribers of mobile commerce product Airtel Money. Airtel Money customers "and their next of kin are covered by the insurance package when they keep an average minimum balance [equivalent to] USD 2.89 at the end of every month." The amount of the insurance coverage is not available. Airtel Ghana serves approximately 1.76 million customers. March 15, 2012

MasterCard to Launch Mobile Financial Services Worldwide

US-based financial services corporation MasterCard International reportedly plans to launch the MasterCard Mobile Money Partnership Program worldwide to give unbanked consumers the ability to purchase goods and services using mobile phones as well as allowing for bill payments and fund transfers. Project partners include Comviva, an Indian mobile services provider; Sybase 365, an affiliate of German software firm SAP; and Singapore-based mobile money firm Utiba. Services offered include prepaid cards, virtual card accounts, person-to-person payments, and face-to-face and remote payments for goods and services. No launch date has been disclosed. MasterCard services are delivered through approximately 25,000 networks in 210 countries and territories. March 15, 2012

Government Overlap, Taxes Concern Indian MSMEs

Micro-, small and medium-sized enterprises (MSMEs) in India reportedly are citing "multiple taxes and the need for compliance with multiple government departments" as key challenges. The delay in implementing the goods and services tax is one example of concern, as "it may get rolled out in a more complicated form." The goods and services tax is a value-added tax that will replace indirect taxes levied on goods and services at the national and state levels. Along with faster implementation of the goods and services tax and other regulations, industry representatives have urged the Ministry of Finance to consolidate departments and simplify regulations and taxes to enable MSMEs to operate more successfully. March 14, 2012



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FIELD NOTES

“A Thousand Petty Humiliations”


This month I have spent a lot of time thinking about risk and vulnerability. I am not the only one. A friend of mine wisely says poor people think about their risks and vulnerability all the time, it is stressful, it defines them. At her speech in 2008 to a group of Harvard students, the renowned author of the *Harry Potter* books, J K Rowling, echoed this sharply in her description of poverty: “It is not an ennobling experience. Poverty entails fear and stress and sometimes depression. It means a thousand petty humiliations and hardships.”

Thinking about poverty in this way underscores the importance of understanding how and which financial services might relieve some of that fear, stress and vulnerability. Over the past year, those working in microfinance have come to agree that most of the financial tools developed to support the poor have been some form of loan and that these perhaps have been poorly designed for the purposes for which they are used (focusing on entrepreneurial needs versus consumption smoothing or fixed investment needs). That’s a bit simplistic of course. We have all run into amazing businesses that use their loans as working capital that allows them to sell more goods - but the overwhelming feeling is that this is not enough.

For a little over a year, I have had the honor of collaborating with the US-based MicroInsurance Centre on its Microinsurance Learning and Knowledge (MILK) project. Since last summer, we have been talking first-hand to people throughout the world who have been through some rather serious hardships using a methodology we call “Client Math.” We talk to samples of people who do and don’t have insurance. (The groups are carefully selected to avoid picking only success stories.) We ask them how they dealt with family deaths, illness and flooding; what costs they incurred; and how they financed these events. This methodology will never show that people are better or worse off because they had insurance (we have all heard about the need to use randomized

controlled trials to prove causality), but it does give us a sense of what is actually happening in people’s lives. It sheds light on how the insured are using insurance and how those without insurance cope with some of their hardships. After nine trips collecting data in six countries, it is time for us to start trying to make some sense of all these data. So far, we are finding that when benefits take a long time to be paid out, people still need to scramble to friends, family, financial institutions or loan sharks to meet their needs. This erodes some of the value of insurance. Additionally, some products seem to focus on protecting clients’ loans from shocks more than their businesses or households. Protecting their loans doesn’t necessarily lead to clients reborrowing after a flood, because microlenders reassess the borrowers’ risks, taking into account that they may be restarting from a weaker position.

The microinsurance industry is still in an early stage of understanding where insurance fits into the risk-management puzzle facing low-income people today. MILK’s research is only beginning to paint some pictures that can help inform underwriters, delivery channels and international institutions that support microinsurance programs. Others are working hard toward the same goal. For example, this week I will attend a conference at the University of Twente - to be opened by Her Royal Highness Princess Máxima of the Netherlands - that is solely dedicated to research in microinsurance. While microinsurance data remain limited, I cannot help but compare the significant efforts of actors in this nascent field to the relatively little that has been done over 30 years to learn about the value microcredit has to clients.

About the Author: Ms Barbara Magnoni is President of EA Consultants, a development consulting firm based in New York. She has 15 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@eac-global.com, or you may follow her on Twitter at [BarbaraatEA](#). 

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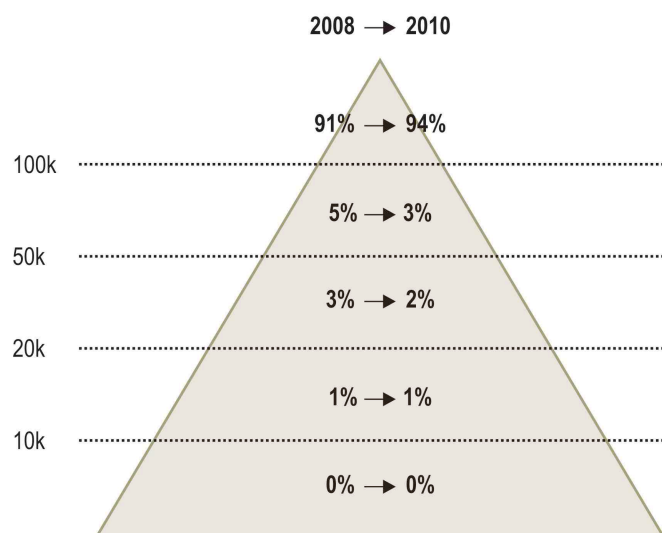
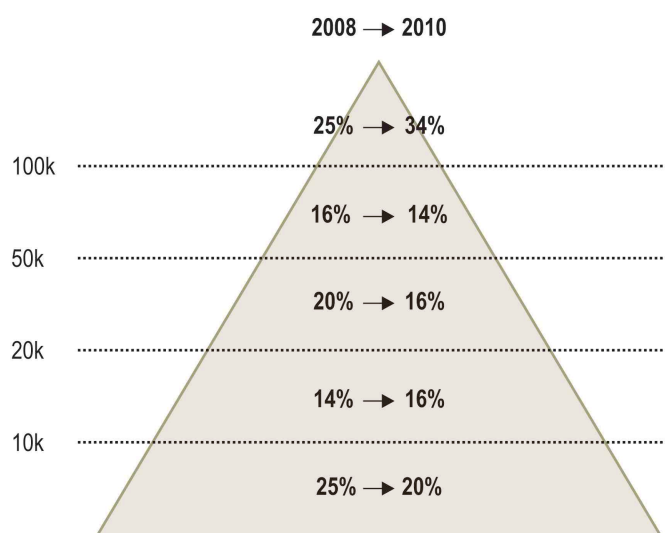
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174 MICROFINANCE INSTITUTIONS (MFIs) REPORTING¹

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

| MFI NAME | COUNTRY | AVERAGE ANNUAL USD INCREASE | AVERAGE ANNUAL % INCREASE | 2008 | 2010 |
|---|------------|--------------------------------|------------------------------|-------------|-------------|
| SKS Microfinance Private Limited | India | 221,434,585 | 39 | 482,975,264 | 925,844,433 |
| Bandhan | India | 219,620,251 | 112 | 125,469,528 | 564,710,030 |
| Spandana Sphoorty Innovative Financial Services Limited | India | 205,762,446 | 46 | 367,344,544 | 778,869,436 |
| Grameen Bank | Bangladesh | 148,436,185 | 21 | 642,257,536 | 939,129,906 |
| SHARE Microfin Limited | India | 112,897,908 | 39 | 239,270,976 | 465,066,792 |
| Bhartiya Samruddhi Finance Limited | India | 95,201,923 | 76 | 90,861,912 | 281,265,758 |
| Asmitha Microfin Limited | India | 79,671,442 | 47 | 139,029,904 | 298,372,788 |
| S E Investments Limited | India | 66,382,644 | 86 | 54,140,612 | 186,905,901 |
| Equitas Micro Finance India | India | 61,083,210 | 78 | 56,628,068 | 178,794,488 |
| Shri Kshetra Dharmasthala Rural Development Project | India | 59,514,851 | 49 | 96,666,104 | 215,695,807 |

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

(1) Denotes only MFIs that reported data for 2008 - 2010 to the *MicroBanking Bulletin* or MIX Market.

Source: Microfinance Information Exchange (MIX) Incorporated, March 2012

UPCOMING EVENTS

2012 Africa Microfinance Conference on Back to Basics

April 18 - April 20, 2012, Johannesburg, South Africa

This event aims to examine how the microfinance sector in Africa can provide alternative financial services that help alleviate poverty and create wealth. The registration fee is ZAR 7,500, with five passes available for the price of four. For additional information, you may contact Lucy Brown at [lucybrown\(at\)eltraining.co.za](mailto:lucybrown(at)eltraining.co.za), call +27 11 023 5601 or visit <http://eltraining.co.za/conferences/microfinance.php>.

Mobile Payments & NFC World Summit 2012

April 19 - April 20, 2012, Hong Kong, China

The summit will include discussions on business models, regulatory issues, trends and innovations in both remote m-payments and mobile proximity (near-field communication) payments. The summit will touch on microfinance through discussions on capturing the mass market. The fee to attend is USD 3,750, with a USD 1,000 discount available for representatives of banks, mobile operators and government. For more information, you may visit http://www.symphonyglobal.com/index.php/event/page/mobile_payments_nfc_world_summit_2012, email [enquiry\(at\)symphonyglobal.com](mailto:enquiry(at)symphonyglobal.com) or call +65 6474 1471.

Association of the Luxembourg Fund Industry Socially Responsible Investing / Microfinance Conference

May 10, 2012, Luxembourg

The event will include speeches and panel discussions covering topics such as assessing the value of reporting, ethical investment funds, legal structures that support responsible investing, the social impact of microfinance and a quantitative overview of data and trends. The fee to attend is EUR 350 with a discount of EUR 50 for members of the Association of the Luxembourg Fund Industry. More details may be had via [events\(at\)alfi.lu](mailto:events(at)alfi.lu), +352 22 30 26 1 or <http://www.alfi.lu/conferences-training/conferences/alfi-responsible-investing-conference-making-difference>.

Mobile Money Connected Africa Forum

May 14 - May 17, 2012, Johannesburg, South Africa

This conference aims to cover mobile services in Africa, focusing on mobile finance, health and agriculture. A pass to the two-day conference costs USD 2,948. An add-on workshop is available, as are various discounts. For more information, you may call +44 (0) 20 7067 1831, email [mmi\(at\)clarionevents.com](mailto:mmi(at)clarionevents.com) or visit <http://www.mobile-money-gateway.com/event/mobile-money-africa-2012>.

Investing in African Youth:

Making Financial Services and Training Work

May 21 - May 22, 2012, Dakar, Senegal

Hosted by UK-based NGO Plan International, this event will center on youth financial services, youth empowerment and gender equality. The registration fee is CAD 200 for general participants and CAD 50 for attendees from West Africa. For additional information, you may email [conference\(at\)plan-international.org](mailto:conference(at)plan-international.org), call +1 416 920 1654 or visit <http://www.2012mfconference.com>.

Transformational Microfinance

May 21 - May 23, 2012, Mexico City, Mexico

This conference will offer sessions addressing over-indebtedness, competition, regulation, credit bureaux and the balance between commercial and social goals. Packages for the two-day conference cost USD 2,299 with add-on workshops available plus a range of discounts including **15-percent off for MicroCapital readers indicating the priority code "MicroCapital."** More details are available from [info\(at\)hansonwade.com](mailto:info(at)hansonwade.com), +1 212 537 5898 or <http://microfinance-latam.com>.

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Cracking the Nut 2012: Attracting Private Sector Investment to Rural and Agricultural Markets

June 25 - June 26, 2012, Washington, DC, USA

This conference focuses on leveraging public-private partnerships to develop rural and agricultural markets. The agenda covers five themes: expanding to new markets, tapping new sources of agricultural inputs, creating effective partnerships, making finance work and forging positive government support. A two-day workshop on agricultural value chain finance will follow the conference. The fee to attend the main event is USD 765. For additional information, you may contact Kim Ha via +1 703 914 5533 or [kha\(at\)azmj.org](mailto:kha(at)azmj.org), or you may visit <http://www.crackingthenutconference.com/>.

MF Tech 2012

June 25 - June 27, 2012, Kuala Lumpur, Malaysia

This event aims to aid microfinance institutions in achieving growth, reducing costs and increasing capacity by addressing regulatory concerns, technology costs, cloud computing, internal training, vendor support and infrastructural challenges. The standard pricing is USD 2,299 with a rate of USD 1,699 available to representatives of microbanks. Workshop entry is available separately. Discounts include tiered pricing for those that register before May 11 and April 13 and an **additional 15-percent discount for MicroCapital readers indicating the priority code "MicroCapital."** For additional information, you may visit <http://microfinance-technology.com>, email [info\(at\)hansonwade.com](mailto:info(at)hansonwade.com) or phone +1 212 537 5898.

Financing Low-cost Housing - Latin America

August 28 - August 29, 2012, Miami, Florida, USA

Topics to be covered at this event include: getting the best returns on investment, risk management, structuring stakeholder partnerships, and regulatory and legal barriers. The price of the two-day conference is USD 2,299. Add-on workshops are available as are discounts for microfinance institution representatives, those registering before April 27 plus an **additional 15-percent discount for MicroCapital readers indicating the priority code "MicroCapital."** For additional information, you may visit <http://housingfinance-latam.com>, email [info\[at\]hansonwade.com](mailto:info[at]hansonwade.com) or call +1 212 537 5898.

2012 Global Youth Economic Opportunities Conference

September 11 - September 13, 2012, Washington, DC, USA

The purpose of this conference is to share promising practices for increasing youth economic opportunities, to form partnerships and for participants to gain technical knowledge in approaches to counter youth unemployment. The registration fee is USD 695 per person with discounts available for presenters and all registrations received by June 29, 2012. More information may be requested from Whitney Harrelson at [whitney\(at\)makingscents.com](mailto:whitney(at)makingscents.com) or +1 202 783 4090 or by visiting <http://www.youtheconomicopportunities.org>.

MORE DETAILS COMING SOON ON...

5th Convergences 2015 Forum - NEW DATES

September 19 - September 21, 2012, Paris, France

2012 SEEP Annual Conference

November 5 - November 9, 2012, Arlington, Virginia, USA

Eighth International Microinsurance Conference

November 6 - November 8, 2012, Dar es Salaam, Tanzania

TBLI Conference Europe 2012

November 8 - November 9, 2012, Zurich, Switzerland

European Microfinance Week

November 14 - November 16, 2012, Luxembourg

PAPER WRAP-UPS

Women are Useful to Microfinance: How Can We Make Microfinance More Useful to Women?

By Dr Linda Mayoux, presented at the 2011 Global Microcredit Summit, November 2011, 20 pages, available at: http://www.genfinance.info/documents/MyPubs/Women%20are%20Useful%20to%20Microfinance_final.pdf

This report introduces methods for promoting women's empowerment as a strategy for increasing the long-term financial sustainability of microfinance institutions (MFIs). It introduces points regarding gender equality and empowerment as well as innovation in policies, product design, non-financial services, customer protection, regulations and gender indicators in social performance management and management information systems.

According to the author, women's empowerment is important to MFIs because women in many countries have more business initiative than men have. For this reason, Dr Mayoux sees market potential in reaching underserved women. The author also argues that women create more effective saving groups than do men, reducing the cost of small loans. Third, various studies indicate that economic growth is higher among countries that are putting gender-equality efforts into action.

Nevertheless, women's access to finance is often restricted to small savings- and group-based products. Supporting financial services for men can lead to an increase of existing gender inequalities and create new ones. However, simply targeting women may not necessarily bring about their economic and social empowerment. The report indicates that product design can increase women's income and control over assets without additional costs. Specifically, the author cites the following as ways of mainstreaming empowerment in product development: (1) ensuring women's access to mobile technology and automated teller machines and (2) access to a graduated progression to larger loans for very poor women. Examples of empowering products include the sponsorship of competitions promoting female entrepreneurship in nontraditional arenas, pensions and long-term savings as well as products encouraging men to save for girls' education and asset building.

Dr Mayoux argues that even though commercial actors have often ignored women's empowerment strategies or treated them as add-ons, there is a new trend in the sector whereby some firms see the targeting of women as way of increasing long-term profitability. The activities of two MFIs,

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WEP-Nepal and FINCA-Peru, are cited as examples in which business training and financial literacy trainings for women increase client satisfaction and thus financial return for the institution. Additional cost-effective non-financial services that promote empowerment include providing women with training regarding new crops and technology, encouraging men to take up trainings usually targeted at women, referring clients to legal services offered by local women's organizations and redesigning application processes to promote empowerment.

The report points to Gender Action Learning System (GALS), a combined market research and financial literacy methodology of Dutch foundation Oxfam Novib and partners, as an innovation that has the potential to increase the number of new, reliable clients. Based on GALS, the Financial Action Learning System, a program of Oxfam's WEMAN effort, enables illiterate people to develop livelihood plans. Individuals use these simple diagrams to teach other household members, which is a self-replicating means of recruiting new clients. Moreover, such tools provide a foundation for financial education, increasing its effectiveness and reducing costs.

Claiming that integrating gender indicators into social performance management and management information systems is a key element in gender mainstreaming, the author provides a list of such indicators. The report highlights creating a woman-friendly organizational culture as the most cost-effective method for boosting gender equality. The promotion of successful female entrepreneurs and farmers can change attitudes toward women's participation in market activities. For this reason, MFIs wanting to reach a larger and more profitable market should include gender awareness in recruitment criteria, recruit female staff in all business areas and include gender training in general training programs.

The author claims that MFIs can also access a larger market by supporting gender advocacy to address discrimination against women. One example is the Nigerian arm of Swiss NGO CARE International, which helps women

candidates in local elections by developing their leadership skills.

Finally, Dr Mayoux suggests that donors, governments and networks can mainstream gender interventions by facilitating financial literacy programs, marketing efforts and networks as well as incorporating gender justice into regulatory frameworks, advocacy strategies and value-chain development.

Rippling: How Social Entrepreneurs Spread Innovation Throughout the World

By Beverly Schwartz; published by Jossey-Bass; March 2012; 288 pages; available for purchase at: <http://www.wiley.com/WileyCDA/WileyTitle/productCd-1118138597.html>

This book describes ways leaders may bring about deep and systematic change relating to social and environmental challenges. The examples provided include micro-consignment in Guatemala, whereby local, income-generating enterprises are encouraged to sell essential products and services at affordable prices to poor people; building a culture of sanitation and hygiene in crowded urban areas in Africa and Asia; and impacting consumers in the US and producer families around the world through FairTrade USA, which uses a certification system to inform consumers about products that provide fair prices to producers.

Does Microinsurance Help the Poor? Evidence from the Targeted Health Micro- insurance Program in Vietnam 2004-2008

By Tra TT Pham and Thong L Pham; published by the Microinsurance Innovation Facility, European Development Research Agency and International Labor Office; February 2012; 32 pages; available at: <http://www.ilo.org/public/english/employment/mifacility/download/repaper11.pdf>

This publication evaluates Vietnam's government-backed Health Care Fund for the Poor, finding that participation in the program reduced poor clients' out-of-pocket health care expenses, increased the regularity with which they sought out healthcare and reduced "catastrophic spending" in the event of health problems. 📄