

MICROCAPITAL BRIEFS | TOP STORIES

Lok Exits Satin Creditcare; Danish Microfinance, Microvest, Shorecap Buy In

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

Goal: 50m Savings Group Members by 2020

A group of government and nonprofit organizations recently launched “50 by 2020” with the goal of increasing the number of savings group members worldwide from 7.5 million to 50 million by 2020. The participating organizations are the US Agency for International Development and the following NGOs: the Aga Khan Foundation and CARE (Cooperative for Assistance and Relief Everywhere) of Switzerland; UK-based Plan International; and five US-based organizations: Catholic Relief Services, CGAP (Consultative Group to Assist the Poor), Freedom from Hunger, Oxfam America and the Small Enterprise Education and Promotion Network. Savings groups are self-led groups through which members - mostly African women - save, lend and share in the profits. April 7. 2013

India's Andhra Pradesh State Challenging Interim Supreme Court Order Favoring SKS

The government of the Indian state of Andhra Pradesh is challenging a recent interim order from the country's Supreme Court that suspends aspects of the Andhra Pradesh Microfinance Institutions (Regulation of Money Lending) Ordinance of 2010. The order, which applies only to SKS Microfinance because it filed the petition with the Supreme Court, allows the microlender to recover loans on a weekly rather than a monthly basis and permits SKS to disburse new microloans without obtaining a no-objection certificate from the state for each microloan. The Supreme Court issued the order in response to a petition challenging the recent dismissal of complaints against the 2010 ordinance by the state High Court. Many microlenders stopped operating in Andhra Pradesh because they judged that the 2010 law would prevent them from doing so profitably. SKS reports total assets of USD 354 million, return on assets of -46 percent and return on equity of -111 percent. March 26 and April 2. 2013

IFC Invests \$28m in Equity in Bhutan National Bank for MSMEs

The World Bank Group's International Finance Corporation (IFC) recently invested USD 28 million in equity in the publicly owned Bhutan National Bank in an effort to increase the bank's lending to micro-, small and medium-sized enterprises, with a particular focus on serving low-income people and rural areas. IFC also will advise the bank, which reports assets equivalent to USD 474 million, on risk management and governance. March 27. 2013

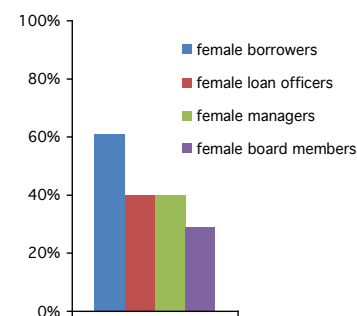
Law Won't "Protect" Banks in Zimbabwe from Foreign Ecocash

Zimbabwe's Deputy Prime Minister Arthur Mutambara reportedly is urging banks in the country to “develop competing products” vis-a-vis Ecocash, the mobile banking service of South Africa-based telecommunications group Econet, instead of “fighting against technology.” Zimbabwe's government reportedly has declined to establish a law restricting Ecocash, which the local banking industry argues is encroaching on banking services. Ecocash works with banks to enable people to use mobile phones to make payments and to perform bank account withdrawals and deposits. From its launch in Zimbabwe in September 2011 to December 2012, Ecocash has been used to transfer a total of USD 300 million. Econet serves 6.4 million mobile subscribers in the country. March 13. 2013

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PERCENTAGE OF FEMALE STAKEHOLDERS 2011



SOCIAL INDICATORS PAGE 9



MICROCAPITAL BRIEFS

African Guarantee Fund Backs \$3.6m for SMEs from CBA, I&M

The Kenya-based African Guarantee Fund, which aims to support small and medium-sized enterprises (SMEs) via guarantees and capacity-building support for retail lenders, recently agreed to guarantee the local-currency equivalent of USD 3.6 million to be loaned to SMEs by two Kenya-based banks. Commercial Bank of Africa, which operates in Kenya and Tanzania with USD 890 million in assets, will disburse USD 2.4 million to SMEs. Investments and Mortgages Bank Limited, which operates in Mauritius and three East African countries with USD 1.7 billion in assets, will lend USD 1.2 million to SMEs. April 11. 2013

LuxFLAG Microfinance Label Applications Due May 7

The Luxembourg Fund Labelling Agency (LuxFLAG), a nonprofit that evaluates investment vehicles regarding their commitment to microfinance and environmental considerations, is accepting applications through May 7 from managers that wish to attach LuxFLAG's "Microfinance label" to their funds. This annual label is held by 25 funds that manage a total of USD 3.8 billion. April 11. 2013

Microinvest of Moldova, Kiva Part Ways

Moldovan microlender Microinvest and Kiva, a US-based online microlending fundraiser, have agreed to terminate their six-year partnership for undisclosed reasons. Microinvest has repaid Kiva all of the USD 370,000 that it borrowed, an amount that benefited approximately 320 microborrowers. During 2011, Kiva raised USD 90 million for disbursal by microlenders in 60 developing and rich countries. Microinvest, which reports a gross loan portfolio of USD 18 million, is held by Dutch cooperative Oikocredit; Balkan Financial Sector Equity Holding; and Soros Foundation Moldova, an affiliate of the US-based Open Society Foundations. April 10. 2013

MFTransparency to Publicize Microloan Pricing in Morocco

MicroFinance Transparency (MFTransparency), a US-based NGO, is launching its "Transparency Pricing Initiative" in Morocco with sponsorship from the Netherlands Platform for Microfinance, a network of Dutch microfinance funders and service providers. The initiative will consist of collecting and disseminating microloan prices, training for microfinance stakeholders and recommendations to regulators regarding pricing disclosure. MFTransparency, which has conducted similar efforts in 30 countries, will implement the effort in partnership with Planet Rating of France and the Moroccan government's Centre Mohammed VI de Soutien a la Microfinance Solidaire. April 10. 2013

Globe, MoneyGram Partner on Remittances in the Philippines

G-Xchange Incorporated (GXI), a subsidiary of Philippines-based Globe Telecom that operates the GCash mobile money service, reportedly has partnered with MoneyGram, a US-based money transfer company with 310,000 agent locations in 185 countries, to make funds sent via MoneyGram available at GXI retail outlets. MoneyGram also plans to expand the partnership to other retail outlets in the country. Globe Telecom has 33 million mobile subscribers and 1.7 million broadband customers. April 9. 2013

Netherlands, IFC Support FUNDESER of Nicaragua on Risk

The Netherlands' Ministry of Foreign Affairs and the World Bank Group's International Finance Corporation recently agreed to provide unspecified support to Nicaraguan microlender Fundacion para el Desarrollo Socioeconomico Rural (FUNDESER) to improve its credit risk management system as part of its ongoing transition to become regulated by Nicaragua's Superintendencia de Bancos y de Otras Instituciones Financieras. As of 2011, FUNDESER reports total assets of USD 17 million, 25,000 active borrowers, return on assets of 0.39 percent and return on equity of 6 percent. April 9. 2013

ACLEDA of Cambodia Begins Operations in Myanmar

ACLEDA Bank, a microfinance institution (MFI) with operations in Cambodia and Laos, recently launched ACLEDA MFI Myanmar. According to a statement attributed to Kim Bunsosheat, CEO of the new ACLEDA affiliate, the operation was started with USD 10 million in capital and will offer deposit services and individual and group loans. Among the investors in ACLEDA MFI Myanmar is the World Bank Group's International Finance Corporation. ACLEDA Bank, which was founded as the Association of Cambodian Local Economic Development Agencies, reports total assets of USD 1.5 billion. April 9. 2013

Opportunity, MicroEnsure Launch EduSave Insurance in Malawi

Opportunity International, a US-based nonprofit, and the UK-based microinsurance subsidiary it founded, MicroEnsure, have announced the launch of a savings-linked education insurance product called EduSave in Malawi. Savers who maintain a savings balance of at least USD 15 automatically qualify for free insurance coverage to pay for their children's school fees should the saver die or become permanently disabled. The amount of coverage is equal to five times the account balance, up to a maximum coverage of USD 1,400. Opportunity International Bank of Malawi reports holding USD 21 million in deposits for 508,000 customers. It is reported that 170,000 savings accounts had balances large enough to qualify for EduSave, resulting in coverage for 650,000 children. April 8. 2013

IFC to Loan Up to \$11m to Suryoday Micro Finance of India

The International Finance Corporation, a member of the US-based World Bank Group, plans to invest up to USD 11 million in Indian microlender Suryoday Micro Finance Private Limited. An unspecified portion of the loan will be issued in the form of quasi-equity investment, which has both debt and equity characteristics, and the remainder will be senior debt, which is prioritized to be paid back first in the event of a company's liquidation. The loan is intended to help Suryoday meet capital adequacy requirements to allow it to expand operations. Suryoday reports total assets of USD 21 million, a gross loan portfolio of USD 20.5 million and 139,000 active borrowers. April 8. 2013

IFC Acquires 15% Stake in National Bank of Vanuatu for \$2.2m

The International Finance Corporation (IFC), the commercial arm of the World Bank Group, recently paid USD 2.2 million to acquire a 15-percent stake in the National Bank of Vanuatu, a financial institution that offers traditional banking services as well as microfinance services. The bank, which previously was 100-percent government-owned, is slated to use the investment to increase financial access in rural areas. As part of the agreement, IFC will advise the bank on risk management, corporate governance and internal audit and credit processes. The Vanuatu National Provident Fund, a government-backed financial institution, is also taking an equal stake in the bank. The National Bank of Vanuatu reports assets equivalent to USD 129 million. April 8. 2013

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Please refer to <http://MicroCapital.org> for information sources for all briefs.

MicroCapital recognizes the individuals at CGAP, the Microfinance Gateway and the Microfinance Information Exchange for their outstanding work disseminating information on microfinance. Thank you!

Absolute Loans \$9m in Asia, Africa, South America

Absolute Portfolio Management of Austria recently informed MicroCapital that during March it issued the equivalent of USD 9 million, including USD 2 million in local currency, to microfinance institutions in Armenia, Benin, Cambodia, Georgia, Mongolia, Paraguay, Peru and Tajikistan. Absolute manages the Dual Return Fund - Vision Microfinance and Dual Return Fund - Vision Microfinance Local Currency funds, which report combined assets of USD 175 million. April 8. 2013

IIMA Report: Bandhan Clients Increased Wealth

The Indian Institute of Management - Ahmedabad, a public business school, recently completed a study on Bandhan Financial Services Private Limited, an Indian microfinance institution. Among a sample of 1,050 households in the state of West Bengal - including Bandhan customers as well as control households - clients of Bandhan boosted "non-farm business assets by an average of [USD 290]" between 2010 and 2013. Further, the study indicated that such households were able to "generate on average 35.82 man-days per month of full-time employment for family members." The report is not available online. April 6. 2013

EBRD Loans \$19m to UniCredit Serbia for Leasing to SMEs

The UK-based European Bank for Reconstruction and Development has loaned the equivalent of USD 19.2 million to UniCredit Serbia, a subsidiary of Italian financial services company UniCredit, to expand lease financing to small and medium-sized enterprises in Serbia. The funds are expected to boost long-term leasing of machinery and equipment in the manufacturing and renewable energy industries. UniCredit Serbia reports total assets of USD 2.8 billion, and UniCredit Group reports total assets of USD 1.19 trillion from its operations in 22 European countries. April 5. 2013

MicroEnsure Launches Triple 10 Microinsurance in the Philippines

MicroEnsure, a UK-based nonprofit microinsurance intermediary, has partnered with Bankers Assurance Corporation, a Filipino for-profit insurance company, and MI Central Corporation, a Filipino marketing and distribution company, to roll out a microinsurance product called Triple 10 in the Philippines. For an annual premium equivalent to USD 6, customers receive coverage of USD 245 each for life, health, and fire and calamity. Add-on options also are available to increase coverage levels or cover family members. MicroEnsure serves 3.5 million clients in Africa, Asia and the Caribbean. April 4. 2013

EFSE to Loan \$1.9m to Mi-Bospo of Bosnia and Herzegovina

The European Fund for Southeast Europe, a Luxembourg-based microfinance investment vehicle, recently loaned the equivalent of USD 1.9 million to Mikrokreditna Fondacija Mi-Bospo, an institution in Bosnia and Herzegovina that loans exclusively to women. Mi-Bospo reports total assets of USD 21 million, a gross loan portfolio of USD 18 million, 14,200 active borrowers, return on assets of 0.99 percent and return on equity of 1.9 percent. April 4. 2013

New in India: Free MFI Ratings, Financial Inclusion Activism

The Flat Pyramid, an Indian organization, has been launched with the stated goal of applying market-based solutions to socio-economic issues. The organization engages in research, consulting and advocacy as well as serving as an incubation center for new initiatives. These initiatives include VolunteerRate, which provides "open, free, and objective" ratings for microfinance institutions, and EachOneBankOne, which provides materials promoting the idea of financial inclusion as a right and facilitates the submission of complaints to the Banking Ombudsman of the Reserve Bank of India, the country's central bank. April 3. 2013

MicroCapital Deal of the Month

Equity Purchases Value Satin at \$37m, Lok Exits

To raise the equivalent of USD 7.5 million, Indian microlender Satin Creditcare Network Limited recently sold a share of approximately 20 percent to three microfinance investment funds in undisclosed portions: Danish Microfinance Partners K/S, US-managed MicroVest II and US-managed ShoreCap II. At the same time, MicroVest II bought the stake that Satin sold in 2008 to Lok Capital, a Mauritius-based company that invests in Indian microfinance. Lok Capital reportedly doubled its investment to the equivalent of USD 1.8 million. According to a press release from Unitus Capital, the advisor on the transactions, "The exit of Lok Capital is the first complete exit of this scale in the Indian microfinance sector and underlines the buoyancy and growth potential of the sector despite having gone through testing times recently." As of December 2012, Satin reported total assets of USD 100 million, a gross loan portfolio of USD 77 million and 377,000 active borrowers. As of March 2012, the institution reported return on assets of 0.52 percent and return on equity of 1.8 percent.

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AfDB, Yunus Social Business Launch "Holistic Movement"

The African Development Bank (AfDB), a multilateral institution based in Tunisia, and Yunus Social Business Global Initiatives, a Germany-based promoter of businesses that aim to fight poverty, recently announced that they have established the Holistic Social Business Movement, a two-year program designed to support entrepreneurship and youth employment at social businesses. The effort is being launched as a pilot in Togo, Tunisia and Uganda with an undisclosed amount of funding from AfDB and the Japanese government. April 2. 2013

EBRD May Allocate \$15m to Sustainable Energy in Kosovo

The European Bank for Reconstruction and Development, a London-based multilateral financial institution, is considering allocating the equivalent of USD 15.4 million to its Kosovo Sustainable Energy Projects (KoSEP), which is intended to promote energy efficiency and renewable energy investments in homes and by small and medium-sized enterprises. The facility would disburse senior loans to "participating financial institutions" in Kosovo for on-lending to end-borrowers. The 2008 Kosovo Instrument for Pre-Accession Assistance Programme, which is intended to aid Kosovo in joining the EU, would provide a grant of unspecified size to KoSEP for technical assistance and incentives for end-borrowers. April 2. 2013

Microsoft Donates \$2m in Software to Pro Mujer to Train Clients

Microsoft, a US-based software company, has donated software licenses worth a total of USD 2.3 million to Pro Mujer, a US-based nonprofit that provides healthcare, training and financial services to women in Latin America. The donation will allow the organization to expand the reach of its computer training services from 270,000 to 328,000 women in low-income communities in Argentina, Bolivia, Mexico, Nicaragua and Peru. April 2. 2013

Grupo ACP's Forjadores Relaunches in Mexico as Licensed Bank

Forjadores de Negocios, a Mexican microfinance institution majority-held by Peruvian NGO Grupo Accion Comunitaria del Peru (ACP), recently began operations as Banco Forjadores, having received permission from Mexican banking authorities to convert into a multiservice bank in 2012. Seeking to build on its base of 80,000 group-lending clients, Banco Forjadores now offers individual loans and savings services. Forjadores de Negocios reported total assets of USD 34 million, return on assets of 0.85 percent and return on equity of 3.7 percent as of 2011. Grupo ACP has majority stakes in 24 companies in 10 Latin American countries. April 1, 2013

OPIC Lends \$5m to Thaneakea Phum Cambodia, Half for Housing

The US government's Overseas Private Investment Corporation (OPIC) recently finalized a loan of USD 5 million to Thaneakea Phum Cambodia Limited (TPC), a Cambodian microfinance institution, for on-lending to 5,000 customers. Half of the loan is designated for home improvement loans, and the remainder will be used to increase group and individual lending for other purposes. According to OPIC CEO Elizabeth Littlefield, "home improvement loans also enhance the income generation of home businesses, and reduce economic vulnerability by building the poor's assets." TPC, which is controlled by US-based asset manager Developing World Markets, reports a gross loan portfolio of USD 48 million disbursed to 122,000 borrowers and deposits of USD 38,700 collected from 3,700 depositors. April 1, 2013

MTN, MFS Launch KwikAdvance Payday Loans in Ghana

MTN (Mobile Telecommunications Network) Mobile Money, an arm of South African telecommunications company MTN Group, reportedly has partnered with Mobile Financial Services (MFS) Africa, a for-profit firm based in Mauritius, to launch a payday loan service in Ghana named KwikAdvance. KwikAdvance offers advances of up to 40 percent of the amount due in the customer's next paycheck. Borrowers are required to repay the advances, with an undisclosed amount of interest, within 30 days. MTN serves 165 million subscribers in 21 countries in Africa and the Middle East, including 12 million in Ghana. MFS Africa operates in 14 countries. April 1, 2013

Ears Offers Crop Microinsurance System Free to African Providers

Ears Earth Environment Monitoring Limited, a subsidiary of Dutch remote sensing company Ears Holding, is offering its Food Early Solutions for Africa (FESA) microinsurance system free of charge to microinsurance providers in Africa. FESA uses satellite-gathered evapotranspiration data, which Ears has found to be significantly correlated with crop yields. In 2012, FESA was implemented via a dozen projects in Africa in partnership with microinsurance providers including PlaNet Guarantee, a member of the France-based PlaNet Finance Group. Interested organizations may apply to participate by contacting Ears at +31 15 2562404 or info[at]ears.nl. March 29, 2013



Manipal Global to Train Janalakshmi Employees

Janalakshmi Financial Services, an Indian microfinance institution focusing on urban areas, reportedly has contracted with Manipal Global Education Services, a subsidiary of India's Manipal Education and Medical Group, to establish a three-week training program for Janalakshmi employees. One thousand of Janalakshmi's 2,500 employees are slated for enrollment during 2013. April 1, 2013

Microfinance Supports World Vision Water Initiative in Sri Lanka

World Vision International, a US-based NGO, and its microfinance arm, VisionFund International, have supplied microfinance loans to 400 families in Sri Lanka to supplement the Rural Integrated Water Sanitation and Hygiene (RIWASH) project that World Vision established in 2010 with the Sri Lankan government, the Canadian Institute for Development Assistance and the Australian government. The microloans have supported the launch of enterprises related to RIWASH such as retailers of parts for household water systems. Since its inception, RIWASH has provided water supply and sanitation facilities to 23,000 people in the Nuwara Eliya district. World Vision raised USD 2.79 billion in cash and in-kind gifts during 2011; VisionFund lends in 36 countries as of 2013. March 28, 2013

ProCredit Bank Armenia Launches Visa Business Card

ProCredit Bank Armenia, one of 21 microbank members of Germany's ProCredit Holding, recently launched a Visa Business Card, which is supported by the 170-country network of US-based payment services firm Visa. The service allows businesses to access accounts remotely, withdraw cash from automated teller machines, make payments and receive short message service (SMS, also known as text messaging) notifications confirming internet transactions. The card carries an annual service fee equivalent to USD 19 to USD 36. ProCredit Bank Armenia reports total assets of USD 78 million. March 28, 2013

India Commits \$370m to Women-only Bank, Empowerment Fund

The government of India reportedly plans to create a bank that will be run by women and serve only women, lending mostly to businesses as well as self-help groups of up to a few dozen women. According to a statement attributed to Finance Minister Palaniappan Chidambaram, the government will allocate the equivalent of USD 183 million in start-up capital to the bank, which will obtain a lending license by October. The same amount of funds also has been allocated for the Nirbhaya Fund, which intends to promote women's empowerment under the guidance of the Ministry of Women and Child Development. These announcements follow a spate of highly publicized incidents of violence against women in the country. March 27, 2013

Al-Huda CIBE Opens Office in Uganda

The Al-Huda Centre for Islamic Banking and Economics, a Pakistan-based nonprofit consultant on Islamic microfinance, recently expanded to Uganda and also is seeking to open in South Africa. March 26, 2013



EBRD May Invest \$20m in Da Vinci for Infrastructure SMEs in CIS

The UK-based European Bank for Reconstruction and Development (EBRD) is considering investing USD 20 million in the Da Vinci Private Equity Fund II, which invests in small and medium-sized enterprises operating in the financial infrastructure sector in the Commonwealth of Independent States, which is composed of the former Soviet republics. The fund has a target size of USD 200 million and is managed by asset manager Da Vinci Capital Management, which has offices Guernsey, Moscow and London. Among intended impacts of the EBRD investment is to improve transparency and corporate governance among Da Vinci investees. March 25. 2013

Indian State Launches Mysore Street Vendor Cooperative

The government of the Indian state of Karnataka recently launched the Mysore City Street Vendors Multipurpose Cooperative Society to provide microloans to street vendors unable to qualify for traditional bank loans. The institution has seed money equivalent to USD 910,000, and seeks to become a cooperative bank in the future, with 50 percent of its profits going toward health insurance for society members. S Suresh Kumar, Minister for Urban Development of Karnataka, reportedly said, "We are aiming to curb exploitation of street vendors by money lenders who charge [an] exorbitant rate of interest given that small vendors don't stand a chance to get loan[s] from the banks." March 25. 2013

Bank Alfalah to Offer Mobile Money in Pakistan

Three Pakistan-based units of the Abu Dhabi Group of the United Arab Emirates, Bank Alfalah, Warid Telecom and Monet, have partnered to offer mobile financial services in Pakistan using the technology of Fundamo, a mobile financial service provider owned by US-based payments company Visa Incorporated. The State Bank of Pakistan, the country's central bank, has approved the platform to be used by both banks and mobile operators. Bank Alfalah operates 471 branches in five countries in the Middle East and South Asia. March 25. 2013

BRAC Applies Microcredit Strategies to WASH Program

BRAC, an NGO formerly known as the Bangladesh Rehabilitation Assistance Committee, has adapted its use of village groups and entrepreneurial training in microcredit initiatives to its Water, Sanitation and Hygiene (WASH) programme. BRAC establishes Village WASH Committees of six women and five men who work to improve local sanitation. BRAC also provided technical resources and operated 4,600 training sessions during 2011 to support entrepreneurs in manufacturing and selling components that improve latrine sanitation, reportedly resulting in 84,600 latrine improvements. WASH serves an estimated 55 million people. BRAC reports a gross loan portfolio of USD 754 million and USD 313 million in deposits. March 25. 2013

MASLOC to Issue Loans to Fish Workers in Ghana

Following complaints of private lenders charging high interest rates, fishermen and fish traders in the Accra region of Ghana reportedly will be offered microloans through the Microfinance and Small Loans Centre (MASLOC), the body in charge of implementing microfinance initiatives for the government of Ghana. MASLOC issues loans with annual interest rates of 24 percent and repayment terms of six months to seven years depending on loan size. In 2011, MASLOC disbursed the equivalent of USD 8 million as small loans and USD 16 million for on-lending by third parties. March 25. 2013

How Do You Balance Social, Financial Responsibility?

The Social Performance Task Force (SPTF), a working group initiated by three Swiss and US-based NGOs in 2005, is accepting submissions for its Universal Standards Resource Library via [info\[at\]sptf.info](mailto:info[at]sptf.info). Through April, SPTF is focusing on material relating to "Balancing Social and Financial Responsibility." SPTF defines social performance as operating "in line with accepted social values that relate to serving larger numbers of poor and excluded people." March 22. 2013



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Pro Mujer Bolivia, GIZ Partner Against Domestic Violence

Pro Mujer Bolivia, a branch of US-based nonprofit Pro Mujer, recently secured unspecified support from Deutsche Gesellschaft für Internationale Zusammenarbeit, the German agency for technical cooperation, to raise awareness of violence against women. The plan includes workshops for Pro Mujer employees, including special training for employees who are victims of domestic violence. The curriculum provided to Pro Mujer borrowers during repayment sessions also will continue to address the issue. The public will be engaged through a media campaign and public events such as group walks. Pro Mujer has a loan portfolio of USD 103 million, deposits of USD 21 million and 254,000 active clients in five Latin American countries. March 22. 2013

Pi Slice Solicits Crowdfunding for Microloans in the Middle East

Pi Slice reportedly has been launched in Dubai to crowdfund loans to poor farmers and unemployed youth in Jordan, Lebanon and Palestine. The organization will collect loans in increments of USD 20 from the public for disbursement via the following microfinance institutions: Al Majmoua of Lebanon, the Arab Center for Agricultural Development of Palestine and Microfund for Women of Jordan. When a loan is repaid, the user of the Pi Slice website may withdraw the money with no interest earned. Pi Slice, which seeks to expand to fund lenders in Egypt, Morocco, Tunisia and Yemen, is supported by MicroWorld, an internet platform created by French NGO PlaNet Finance and French investment company Groupe Allard. March 22. 2013

DiD Loans \$500k to Cambodia Community Savings Federation

Développement international Desjardins, the development subsidiary of Canadian cooperative Desjardins Group, recently disbursed a three-year loan of USD 500,000 to the Cambodia Community Savings Federation, a cooperative network that serves 30 financial institutions in Cambodia holding assets totaling USD 7 million. March 21. 2013

CreditInfo, Dunn & Bradstreet OK'd as Credit Bureaus in Tanzania

CreditInfo Tanzania, a unit of Germany's CreditInfo, and Dunn & Bradstreet Tanzania, a unit of US-based Dunn & Bradstreet, recently received licenses from the Bank of Tanzania, the country's banking authority, to act as credit bureaus. Managing Director Kihara Maina of Barclays Tanzania, an arm of UK-based financial services provider Barclays, reportedly argued that the introduction of credit reference bureaus will significantly lower interest rates and default rates in the country, but should be supplemented by other initiatives, like a national identity card, that could be expected to reduce fraud. March 22. 2013

Norfund Loans \$1.4m to NMBZ for SMEs in Zimbabwe

The state-owned Norwegian Investment Fund for Developing Countries (Norfund) recently issued a seven-year loan of USD 1.4 million to NMBZ (National Merchant Bank of Zimbabwe) Holdings, which owns NMB Bank Limited, for on-lending to small and medium-sized enterprises (SMEs). Ingebjorg Stofring, the Norwegian ambassador to Zimbabwe, reportedly said, "...microfinance loan sizes are too small to meet SME capital needs. At the same time, SMEs are often considered by commercial banks and financial institutions to be risky and costly to serve." Publicly traded NMBZ Holdings has total assets of USD 167 million. March 19. 2013

ACP, EU Backing Government Officials to Attend Boulder Program

The Microfinance Framework Programme of the African, Caribbean and Pacific Group of States (ACP) and the EU, which invests in microfinance in 80 countries, has announced that it is accepting applications through May 6 from government officials from ACP member countries for 25 scholarships to attend the session of the Boulder Microfinance Training Programme to be operated by the US-based nonprofit Boulder Institute of Microfinance in Turin, Italy, from July 15 to August 2. March 19. 2013

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Rwandan Microlending Up 45%, Microdeposits Up 18%

The microfinance sector in Rwanda reportedly experienced growth during fiscal year 2012, with gross loans increasing 45 percent to the equivalent of USD 93 million. Deposits increased 18 percent to USD 85 million, and total assets rose from USD 121 million to USD 156 million. Savings and credit cooperatives (SACCOs) in the country reported even steeper growth, which Claver Gatete, the former governor of Rwanda's central bank, attributed to "impressive progress in terms of building their own premises and equipping themselves with...skills paving the way for their computerisation and consolidation..." March 19, 2013

Survey: Poor South Africans Choose Funeral Insurance

Data recently released by Ikapadata, a South Africa-based research firm, indicate that 20 percent of South Africans with low incomes have formal health insurance and two thirds of all insured respondents carry funeral coverage. According to a statement attributed to Jaba Malele of KPMG Insurance, a branch of Netherlands-based professional services company KPMG, ineffective regulation and a lack of trust between low-income consumers and insurers has caused a low penetration rate in the country's microinsurance sector. In 2014, the South African Parliament is expected to implement the "South African Microinsurance Regulatory Framework," which was announced in the August 2011 issue of this newspaper. The framework is intended to boost consumer protection and access to insurance for people with low incomes. March 19, 2013

Mobile Money Transactions in Kenya Grow 50% to \$16b

The value of mobile money transactions in Kenya reportedly reached a total equivalent to USD 16 billion during the year ending in June 2012, approximately 50 percent greater than was measured in the previous year. During the same period, the volume of transactions grew 40 percent to 508 million, and the number of mobile money customers increased 10 percent to 19.8 million. March 19, 2013

Opportunity, Temenos to Build Social Impact Tracking System

Opportunity International, a US-based NGO, has agreed to license Insight, a business analytics product from Swiss software company Temenos. Temenos will customize the software to measure the social impact of lending on borrowers and their communities. Harry Turner, head of the Global Microfinance Operations Group at Opportunity, reportedly stated that this will improve "measurement of the impact our financial investment in individual clients working their way out of poverty has on the quality of life for their families, communities and countries." The specific criteria to be measured have not been released. Opportunity serves 5 million clients in 24 countries, and Temenos works with 1,500 financial institutions in 125 countries. March 18, 2013

AccessBank of Azerbaijan Borrows \$4.2m for Low-energy HQ

AccessBank, a for-profit microfinance institution in Azerbaijan that is affiliated with Germany's Access Microfinance Holding, recently borrowed USD 4.2 million from the UK-based European Bank for Reconstruction and Development, which will provide 30 percent of the financing required to renovate its new headquarters in Baku. The building is billed as the first "energy efficient" office building in the country. AccessBank reports USD 661 million in assets. March 18, 2013



The Family Office & Wealth Management Conference
Hilton Tel Aviv
June 10th, 2013

Boston University, CGAP Compiling Financial Inclusion Regulation

The Center for Finance, Law and Policy at US-based Boston University has taken over management of the online repository of materials relating to the regulation of financial inclusion now known as "Financial Inclusion Guide: A Practitioner's Resource for Navigating the Financial Inclusion Legal Environment." The library was created in 2010 by US-based nonprofit CGAP (Consultative Group to Assist the Poor) as the Financial Inclusion Regulation Center. The public may contribute documents via Neal A Estey via [naestey\[at\]bu.edu](mailto:naestey[at]bu.edu). The guide resides at: <http://www.bu.edu/bucflp/initiatives/financial-inclusion-guide/>. March 18, 2013

SME Finance Forum Launches New Website

A website featuring research and tools for organizations serving small and medium-sized enterprises (SMEs) has been launched at <http://smefinanceforum.org> by SME Finance Forum, an effort of the multilateral Global Partnership for Financial Inclusion. March 16, 2013

WWB, Citi Foundation Launch Women in Leadership Program

US-based microfinance network Women's World Banking (WWB) recently secured a donation of USD 400,000 from Citi Foundation, the charitable arm of US-based financial firm Citigroup, to launch the "Women in Leadership Program," which is aimed at increasing the number of women in leadership positions in microfinance. The five-day program is run through WWB's Center for Microfinance Leadership, which focuses on training women working at microfinance institutions in South Asia, the Middle East and North Africa. Citi Foundation CEO Pamela Flaherty reportedly argued "by developing a pipeline of future women leaders, we will continue to build stronger financial institutions that maintain the client at the heart of efforts to broaden financial inclusion." March 15, 2013

WWB Partners with Australia's AusAID on Microinsurance

The Australian government's Agency for International Development (AusAID) reportedly has pledged unspecified support to Women's World Banking (WWB), a US-based nonprofit microfinance network, in working to expand international microinsurance. WWB CEO Mary Ellen Iskenderian was quoted as saying, "Microinsurance is an area that more insurance companies in developed countries will find interesting. We would like to speak to brokers who have specialist skills and experience in microfinance, and can help us identify the best policies for affordable premiums." March 15, 2013

Norway's Telenor Frets over Bangladeshi Government Claims

Telenor Group, a Norwegian mobile services provider, reportedly has expressed concerns about the ongoing dispute over the ownership of social businesses historically linked to Grameen Bank, a Bangladeshi microfinance institution that is 10-percent owned by the government. The Bangladeshi government claims that Grameen Bank owns a stake in the 54 organizations in the country that bear the word "Grameen" in their names and that therefore Grameen Bank should receive dividends from these institutions. Telenor Group, which serves 148 million subscribers in 12 countries, owns 56 percent of telecom Grameenphone, which serves 35 million subscribers. March 14, 2013



The East Coast Family Office & Wealth Management Conference
Union League Club, NYC
October 2nd, 2013

FIELD NOTES

Microfinance in Latin America: Time to Try on a Bigger Shirt?

My friend, colleague and EA Consultants Advisory Board member Elvis Alva was in Bogota last week talking to microfinance institutions about the state of the sector. Upon his return, we spent some time debating the issue of scale: why some institutions have been able to reach scale and others haven't. I asked him to offer some insight from his perspective as a consultant with over 20 years of experience helping institutions tackle questions of scale. The following are his words:

Returning from Colombia, I began to compare the situation in the microfinance sector to that of my native Peru. Specifically, I have been interested in the differences in the ability and effectiveness of various microfinance institutions (MFIs) in reaching scale. One impressive example in Colombia is Bancamía, the result of a merger of two institutions and a subsequent acquisition by the BBVA Foundation, an affiliate of Spanish bank BBVA. Bancamía currently leads Colombia's microfinance sector in both scope and scale. But interestingly, the BBVA Foundation's experience in Peru has been less impressive of late: Caja Nuestra Gente, also the result of a merger and acquisition by the BBVA Foundation, has been performing well, but without the growth I have observed in Colombia over the past three to four years. While Bancamía boasts a portfolio of 450,000 loans as of 2010, up from 285,000 three years prior, Caja Nuestra Gente has experienced a more modest 36-percent growth over that period.

I consider a successful business model to reflect strong commercial, risk and operating models. These need to be flexible, scalable and replicable. Flexibility is key. A common mistake is to think that these models are static, but business models must develop with the changes in the market. It's like wearing the same shirt after you gain weight: it will be too small. Knowing when to buy a bigger shirt is critical. So why has the BBVA Foundation been unable to do in Peru what it has done in Colombia? I believe it is primarily because of the two very different business models of these institutions. In Peru, Caja Nuestra Gente's commercial model is

wearing an old shirt. It is still based on branches, with all of the costs and inefficiencies related to them. In Colombia, there has been a much greater evolution, with the use of non-bank correspondents, for example, making convenience a critical piece for reaching low-income clients.

Identifying, replicating and scaling successful business models in Latin America is not easy. Those that have been able to achieve scale such as Mibanco of Peru and Compartamos of Mexico don't share the same "recipe" for success. The models vary and are specific to the country context and competitive environment. In some cases, commercial models matter most (Peru and Colombia); in others, the risk model is still the key driver for success (Mexico).

The expansion of behemoths like Mibanco and Compartamos, much like that of the BBVA Foundation's institutions across the region, will certainly be challenged, catching them between the temptation to stick to their successful formulas and the necessity to adapt to the conditions and needs of each market. Yet not one of these institutions can afford to rest on its laurels. As my friend and colleague Barbara Magnoni has been saying in this column, the landscape for financial services for low-income people in the region will be changing quickly in the next five years; those financial institutions that can't come up with business models that can compete and grow effectively will be faced with some tough competition from non-bank players. Already, retailers have become important players in the space; over time, phone companies, pharmacies and others will join. MFIs will have to innovate to stay relevant if they are to survive.

About the Author: Ms Barbara Magnoni is President of EA Consultants, a development consulting firm based in New York. She has 18 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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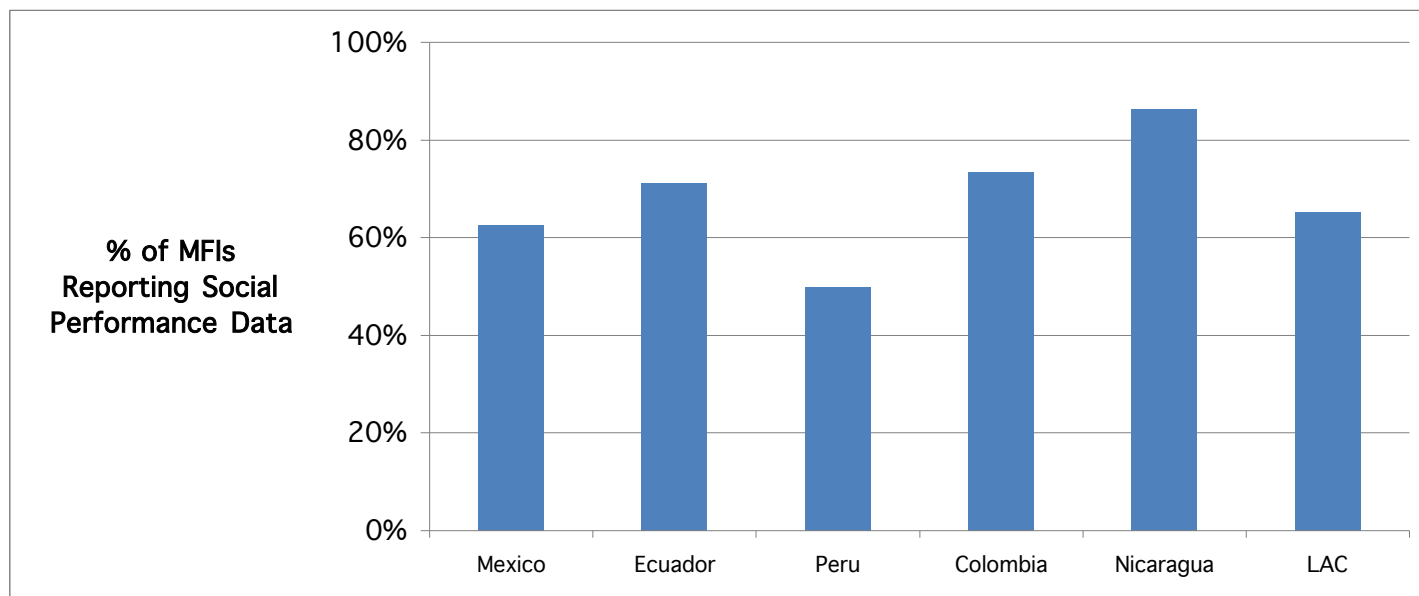


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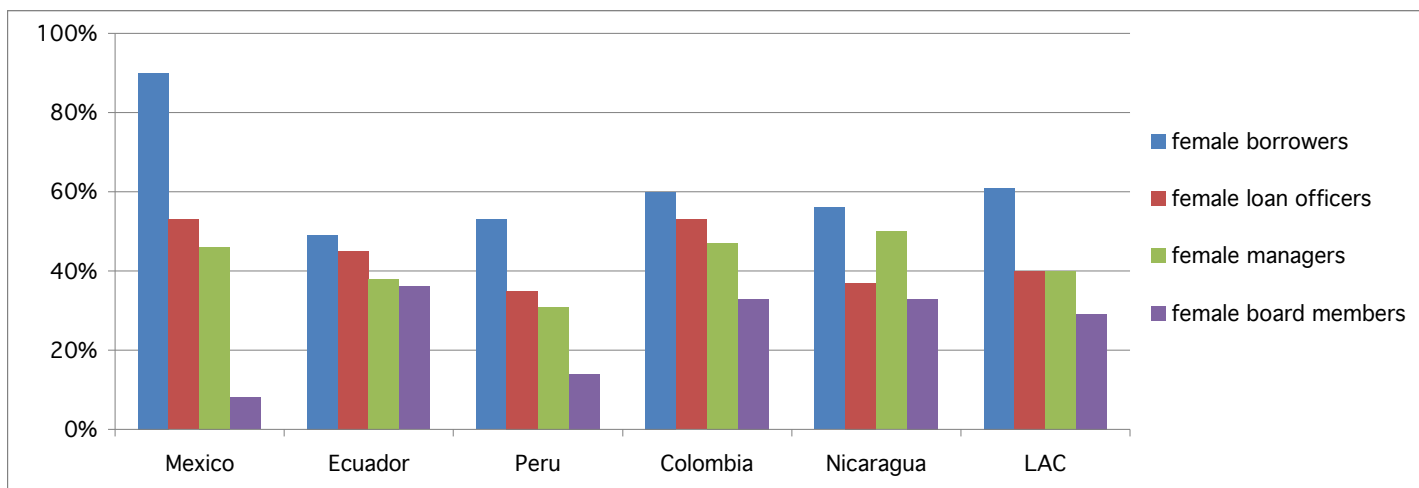
249 MICROFINANCE INSTITUTIONS (MFIs) FROM 19 COUNTRIES REPORTING SOCIAL PERFORMANCE DATA

TOP FIVE COUNTRIES BY MFI REPORTING OF SOCIAL PERFORMANCE DATA



The countries named in the above chart are those from the region from which the greatest number of MFIs reported 2011 social performance data to the Microfinance Information Exchange (MIX). The percentages are calculated by dividing the number of MFIs in each country that reported social performance data by the number that reported financial data to MIX.

PERCENTAGE OF FEMALE STAKEHOLDERS



Percentages for the countries named above include data from 19 to 37 MFIs per country.

Source: Microfinance Information Exchange, April 2013

UPCOMING EVENTS

Mobile Money Americas Conference & Expo 2013

April 15 - April 17, 2013, Mexico City, Mexico

This event will cover fraud prevention, regulations that promote cross-border mobile banking and financial inclusion strategies for remote areas. The cost to attend the primary two-day conference is USD 2,299, with separate pricing for the pre-conference workshop and group pricing available. For more information, you may contact the organizers at [mmt\[at\]clarionevents.com](mailto:mmt[at]clarionevents.com) or +44 (0) 20 7384 7910, or you may visit <http://www.mobile-money-gateway.com/event/mobile-money-americas-2013>.

Mobile Payments and NFC World Summit 2013

April 18 - April 19, 2013, Hong Kong, China

This event aims to engage mobile network operators, money transfer providers, banks and providers of near-field communication and other technologies to network and discuss trends and challenges in mobile payment systems. The fee to attend is USD 3,250. For additional information, you may email [enquires\[at\]symphonyglobal.org](mailto:enquires[at]symphonyglobal.org), call +65 6221 8119 or visit http://www.symphonyglobal.com/index.php/event/page/mobile_payments_nfc_world_summit_2013.

West Africa Microfinance Conference

April 24 - April 26, 2013, Accra, Ghana

The event will address how to: improve the sector to better “meet its original objectives,” manage a sustainable microfinance business, manage cash flows and handle regulatory and supervisory challenges. While *a la carte* pricing is available, the fee to attend all three days is GHS 450 for local participants or USD 400 for those from abroad. For additional information, you may email [conference\[at\]afcopb.org](mailto:conference[at]afcopb.org), call +233 20 596 5110 or visit <http://wamic.afcopb.org>.

Child and Youth Finance Summit & Awards Ceremony 2013

May 7 - May 9, 2013, Istanbul, Turkey

The conference will focus on “experience-sharing sessions” covering innovations in financial inclusion and financial education, celebrating successes through the presentation of awards and developing strategies for promoting financial access and education for children. The cost for adult participants is EUR 450, and the cost for youth aged 8 through 18 and their caretakers is EUR 250. For additional information, you may call +31 020 520 3900, email [info\[at\]childfinanceinternational.org](mailto:info[at]childfinanceinternational.org) or visit <http://www.childfinanceinternational.org/summit>.

Association of the Luxembourg Fund Industry

Responsible Investing Conference

May 15, 2013, Luxembourg

Sessions at this event will address investing in microfinance and other forms of impact investing, women in finance, Islamic finance, regulation, attracting private investment and achieving industry transparency. The fee to attend the event is EUR 375 with discounts available for members of the Association of the Luxembourg Fund Industry. For more information, you may call +352 22 30 26 1, email [events\[at\]alfi.lu](mailto:events[at]alfi.lu) or visit <http://www.alfi.lu/node/2191>.

Global Forum on Remittances

May 20 - May 23, 2013, Bangkok, Thailand

This event is intended to promote awareness of remittances sent by migrants to their home countries in the Asia-Pacific region and the role of these funds in the development of national and local economies. There is no fee to attend the event. More information may be had via [gfr2013\[at\]ifad.org](mailto:gfr2013[at]ifad.org), +39 065 4591 or <http://www.ifad.org/remittances/events/2013/globalforum/>.

Mobile Money Africa Conference & Expo 2013

May 27 - May 29, 2013, Johannesburg, South Africa

Topics to be discussed at this event include strategies to stay current with the mobile payments industry, implementing near field communication technologies and reducing the risks of mobile transactions. The cost to register for the main two days of the event is GBP 1,119 with a separate fee for the pre-conference workshop on May 27. Various discounts apply to certain groups. For more details, you may call +44 (0) 20 7384 7910, email [mmt\[at\]clarionevents.com](mailto:mmt[at]clarionevents.com) or visit <http://www.mobile-money-gateway.com/event/mobile-money-africa-2013>.

MORE DETAILS COMING SOON ON...

Evidence on Innovations in Financial Capability Conference

May 29 - June 1, 2013, Lima, Peru

Payments, Settlements and Remittances Asia 2013

May 30 - May 31, 2013, Manila, the Philippines

Third European Research Conference on Microfinance

June 10 - June 12, 2013, Kristiansand, Norway

Triple Bottom Line Investments Conference USA

June 17 - June 18, 2013, New York, New York, USA

Evidence on Innovations in Savings and Payments

June 20 - 24, 2013, Kampala, Uganda

Cracking the Nut: Sourcing for Agricultural Supply Chains

June 25 - June 26, 2013, Dresden, Germany

Tenth Annual European Microfinance Network Conference

June 25 - June 26, 2013, Stockholm, Sweden

Global Sustainable Finance Conference 2013

July 4 - July 5, 2013, Karlsruhe, Germany

AITEC Banking and Mobile Money West Africa

July 10 - July 11, 2013, Accra, Ghana

World Credit Union Conference

July 14 - July 17, 2013, Ottawa, Canada

6th African Microfinance Conference

August 13 - August 15, 2013, Durban, South Africa

2013 Global Youth Economic Opportunities Conference

September 10 - September 12, 2013, Washington, DC, USA

6th World Forum Convergences 2015

September 17 - September 19, 2013, Paris, France

Global Islamic Microfinance Forum

October 6 - October 8, 2013, Dubai, United Arab Emirates

Financial Inclusion 2020 Global Forum

October 28 - October 30, 2013, London, UK

Conference on Sustainable, Responsible, Impact Investing

October 28 - October 30, 2013, Colorado Springs, Colorado, USA

European Microfinance Week

November 12 - November 14, 2013, Luxembourg

9th International Microinsurance Conference

November 12 - November 14, 2013, Jakarta, Indonesia

PAPER WRAP-UPS

Unlocking the Potential: Women and Mobile Financial Services in Emerging Markets

Published by the Global System for Mobile Communications Association's mWomen Global Development Alliance, Visa and Bankable Frontier Associates; 2013; 40 pages; available at: http://www.gsma.com/mobilefordevelopment/wp-content/uploads/2013/02/GSMA-mWomen-Visa_Unlocking-the-Potential_Feb-2013.pdf

This report analyzes connections between mobile financial services and women's financial inclusion in developing countries based on the experience of women in the following countries, which were selected for having varying stages of mobile finance market development: Indonesia, Kenya, Pakistan, Papua New Guinea and Tanzania. The authors of the report argue that, "MFS [mobile financial services] providers who choose to offer women relevant products will have the opportunity to improve both their core and mobile financial service businesses, as well as to impact women's lives at scale."

While this can lead providers to achieving greater scale, market penetration and stability, MFS providers contacted as part of this study

are critical of their ability to meet women's wants and needs at this time.

Women constitute an important potential customer base for MFS providers in developing markets because women often serve as the most active financial managers within households in developing countries. While men bring in a greater share of household income on average, women often bring in supplemental income and are often responsible for paying bills, making purchases, setting aside savings and sending money to distant friends and relatives. These women generally seek convenience, reliability, security and privacy in prospective financial tools.

The barriers to higher use of MFS range from simple lack of phones - as was cited by 34 percent of those in Tanzania who expressed interest in trying MFS - to a "lack of perceived value," as was indicated by previous research by the mWomen Global Development Alliance of the Global System for Mobile Communications Association, a UK-based trade group.

The study identifies the following barriers to wider adoption of MFS products by women: (1) MFS advertising generally is targeted toward male audiences; (2) low awareness of the availability and value of MFS; (3) women's

lack of confidence in their ability to use MFS products; (4) women's concerns regarding the reliability and security of the service; (5) perceived or actual lack of nearby service centers to provide assistance; and (6) perceived or actual lack of identification documentation.

To overcome these barriers, the report suggests that MFS providers: (1) invest in research to further develop the understanding of the desires of men and women for new or improved MFS; (2) develop and implement effective education programs; (3) encourage and incentivize trial use of services; (4) extend service coverage to include a wider geographic range; (5) improve brand image and recognition through marketing initiatives; (6) streamline the registration process for new customers; and (7) consistently deliver convenient, reliable, secure and private products and services.

The authors argue that meeting these wants and needs will likely "enhance a service provider's offering for the entire market," due to the fact that "if service providers are able to tailor their marketing, services, customer care, and agent networks to meet women's needs for convenience, reliability, security, and privacy, men in these markets also are likely to become more loyal customers."



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Perspectives on Progress: The Impact Investor Survey

By Yasemin Saltuk, published by JP Morgan and the Global Impact Investing Network, January 2013, 28 pages, available at: http://www.thegiin.org/cgi-bin/iowa/download?row=489&field=gated_download_1

This is the third iteration of this effort to shed light on the condition and future prospects of the impact investment market. The authors define impact investments as those made with the intent of producing positive social or environmental impact in addition to financial returns.

The 99 respondents reported that their organizations had invested a cumulative total of USD 36 billion since they began making impact investments, USD 8 billion of which was disbursed in 2012. Approximately 83 percent of the investors were headquartered in developed countries, and the region in which the largest number of investors was active was sub-Saharan Africa, with 34 percent of respondents investing in that region. Thirty-two percent were active in Latin America and the Caribbean, and the same portion was active in the US and Canada.

Despite the focus on sub-Saharan Africa, the pipeline of investment opportunities there appears to be less robust than that of South Asia or Latin America, with fewer investment opportunities passing investors' initial

screenings. Opportunities in South Asia and Eastern Europe are more likely to pass the initial screenings of early-stage investors than late-stage investors, while in Latin America there is minimal difference between the two.

The survey found that 86 percent of respondents invest in multiple sectors. In emerging markets, the most popular sector for investment was healthcare, with investments from 63 percent of respondents. Fifty-nine percent of respondents reported investing in microfinance, and an equal portion invested in financial services other than microfinance.

When asked to select the preferred development stage of companies in which to invest, 78 percent of respondents chose "growth-stage" businesses, 51 percent indicated a preference for "venture-stage" companies, and 18 percent chose start-ups. Eighty-three percent of respondents reported using private-equity instruments to make investments; 66 percent use private debt; 44 percent use equity-like debt structures; and 18 percent use guarantees.

The respondents noted relatively even progress across market growth indicators in 2012, including availability of research and data, collaboration among investors and the number of intermediaries with successful track records.

Regarding expectations and performance, 65 percent of investors expected market-rate

returns, while the remaining 35 percent expected lower returns. Eighty-four percent of respondents reported that the impact of their portfolios met expectations, while 68 percent reported financial performance in-line with expectations.

As for investors' motivations, the primary reasons for allocating capital to impact investments were - in descending order - to fulfill one's responsibility as an investor, efficiency in achieving impact goals and financial attractiveness compared with other investment options.

Ninety-six percent of respondents stated that they use metrics to evaluate the environmental and social impacts of their investments. Seventy percent indicated that standardized metrics were "important" or "very important" for industry development.

The top reported risks were "business model execution and management risk," "country and currency risks" and "macroeconomic risk." The top challenges identified were a "lack of appropriate capital across the risk/return spectrum" and a "shortage of high-quality investment opportunities with track record."

The respondents reported plans to invest a cumulative total of USD 9 billion in impact investments during 2013, an increase of 12 percent over the previous year.



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Pathways Towards Greater Impact: Better Microinsurance Models, Products and Processes for MFIs

By Craig Churchill, Aparna Dalal and Josh Ling; published by the Microinsurance Innovation Facility at the International Labour Office; 2013; 8 pages; available at: http://www.ilo.org/public/english/employment/mifacility/download/brnote15_en.pdf

This paper examines challenges faced by microfinance institutions (MFIs) that provide microinsurance products to low-income individuals and businesses. The authors explore the evolution of microinsurance products, the spectrum of current products and services, and how MFIs may improve their products.

MFIs can be effective channels for the distribution of microinsurance to poor people. Many MFIs have begun to offer microinsurance products as part of their product portfolio, as these services have the potential to boost the profitability of the MFI as well as its social agenda. Of the 451 MFIs that report social performance data to the US-based nonprofit Microfinance Information Exchange (MIX), 70 percent offer some form of microinsurance, and half offer voluntary coverage. The authors interpret these data as evidence that “MFIs are evolving beyond basic credit life insurance.”

The following recommendations are suggested for MFIs that offer microinsurance products:

(1) study market needs and consumer preferences; (2) offer savings-linked coverage, which can provide more protection over a longer term than credit-linked coverage; (3) make mandatory coverage valuable, and leverage this value into increased customer retention and volume through educational programs; (4) proactively develop product offerings that are aligned with institutional strategy and core operations; (5) focus customer claims processing on efficiency and customer value; (6) incorporate risk prevention, risk preparation and risk protection in product development and business strategy; (7) increase capacity by optimizing personnel and procedural efficiency; and (8) continuously monitor performance including client value, product profitability and client retention while focusing on leveraging success into better terms with insurance companies.

The authors conclude that MFIs that are looking to develop microinsurance product offerings should consider beginning with credit life insurance. As the organizations’ microinsurance programs become more developed, MFIs should consider expanding into savings-linked coverage and riders for credit-linked insurance or voluntary insurance for the general public.

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The authors do acknowledge that offering these services may incur additional risk for MFIs and pose operational challenges including restructuring the roles and responsibilities of field staff and maintaining a streamlined claims process. However, the authors suggest that MFIs that are successful will help to create a “foundation for an insurance culture in low-income communities that will enable the poor to manage risks more efficiently and thereby make a valuable contribution to breaking the vicious cycle of poverty.”

2013 Human Development Report – The Rise of the South: Human Progress in a Diverse World

Published by the United Nations Development Program, March 2013, 216 pages, available at: <http://hdr.undp.org/en/>

This report presents an analysis of the advancement of human development in developing countries as measured by the Human Development Index, which incorporates life expectancy, educational attainment and command over the resources to procure a “decent living.” The authors state that a large number of countries, including Bangladesh, Brazil, Chile, China, India, Indonesia and South Africa, have “risen at unprecedented speed and scale,” in a “Rise of the South.” While these countries as well as others are enhancing global economic growth, increasing wealth and reducing poverty, they still are home to some of the largest numbers of the world’s poorest people and face a multitude of barriers such as growing inequality and environmental challenges. The authors argue that programs and policies promoting greater investment in public health, social welfare, education and social development are essential for the continued progress of developing countries and global economic growth. In considering the economic slowdown of the North since the 2008 financial crisis in light of the economic strengths of the South, the authors conclude that, “the South still needs the North, but increasingly, the North also needs the South.”

Microfinance and Patriarchy: A Drift Away from Serving Women

Published by Knowledge @ Wharton, 2013, 3 pages, available at: <http://knowledge.wharton.upenn.edu/createpdf.cfm?articleid=3169>

This report highlights the importance of gender equality in the provision of microfinance and focuses on the negative impacts of patriarchal attitudes on lending practices. The report suggests that it is easier for female loan officers than for male loan officers to interact optimally with women borrowers. “Because up to 70% of loans are made to women, access to female employees in MFIs [microfinance institutions] is key.” However, female employment by MFIs is insufficient due to the lack of education available to women in many countries.

The authors also argue that, “While foreign investors may say they want to promote better lifestyles for women and families, they also expect positive financial returns. And yet the motivation for lending to women is to create social benefits by serving a population that is excluded from traditional financial channels precisely because it isn’t profitable to serve them.” The authors refer to studies that indicate MFIs focusing on lending to women are less likely to be financially self-sustainable. The report concludes, “A business-friendly economic climate will help offset some of the resource constraints that patriarchy creates for MFI foundings, but will amplify the suppression of women’s lending by creating financial inducements to lend to less-poor male clients.”

Microfinance Mapping Project - Uganda

Published by Haverford College, 2012, 10 pages, available at: <http://ds.haverford.edu/wp/mappingmicrofinance/files/2012/07/Microfinance-Mapping-Project-Uganda.pdf>

This resource compares the locations of branches of microfinance institutions in Uganda with several datasets. The authors find that higher density of poverty, greater access to safe water and areas of less historical conflict are associated with more branch locations. 📍