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MicroCapital Monitor

The Candid Voice for Microfinance Investment

MICROCAPITAL BRIEFS

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Top Stories:

What is the Role of Public Funds?

A new paper about the role of publicly-owned financial institutions investing in microfinance was featured in the *Economist* newspaper and has caused a significant stir within the industry. In response, CGAP, the leading policy outfit for microfinance, will host an on-line discussion March 28-30 on its portal www.microfinancegateway.org. Please join us in this discussion as the topic is critically important. Please see the full paper review within our Paper Wrap Up section below.

BBVA Invests $260mm in Latin America

Forbes Magazine reported a 200 million euro, approximately equal to USD 259.94 million, investment in microfinance made by Spanish Banco Bilbao Vizcaya Argentaria SA (BBVA) through local strategic partners Caja Nor and Caja Sur in Peru, Corporacion Mundial de la Mujer of Colombia, and Medellin, also of Columbia. BBVA is also working to develop similar relationships with microfinance institutions in Mexico. BBVA plans to extend microfinance investments beyond Latin America. Founded in 1995, Caja Nor is a financial institution operating in Peru with USD 41.3 million in total assets as of 31 December 2005. Caja Sur does not share financial information. Corporación Mundial de la Mujer is a nonprofit institution founded in 1989 that had USD 23.7 million in total assets as of 31 December 2005. Medellin is an affiliate of Women's World Banking and reported US 18 million in total assets as of 31 December, 2005. Earlier this year, BBVA launched a microfinance hedge fund called Codespa Microfinanzas with 20 million euro in seed funding advised by BlueOrchard and Fundacion Codespa. **February 27. 2007**

SNS Asset Management Founds $200mm Fund

SNS Asset Management will launch an institutional investment fund which aims to provide resources for microfinance institutions (MFIs) worldwide. SNS Asset Management is a Dutch-based asset manager for institutional investors and currently manages assets exceeding 15 billion euros. The SNS Institutional Microfinance Fund has a target size of USD 196 million. SNS Asset Management will be working in conjunction with the US organization Developing World Markets (DWM), a fund manager and consultant founded in 1994, as well as manager Triple Jump, which runs the ASN/Novib fund (a fund that targets expanding/mature MFIs) and other funds. Established in 2000, the Amsterdam based Triple Jump's current microfinance portfolio is USD 60 million investments in 75 MFIs in over 30 countries. The SNS Institutional Microfinance Fund will invest directly with microbanks, both lending and holding share capital. Convertible loans or subordinated loans with warrants are also used. **February 16. 2007**

Equity Bank Picks Citi to Raise USD $150mm

James Mwangi, CEO of Equity Bank of Kenya, announced at the Cracking the Capital Markets conference that the microbank has contracted CitiGroup to raise USD 150mm in debt. In August, we reported on Equity Bank's initial public offering on the Nairobi Stock Exchange when shares prices increased 47% in the first 30 minutes of trading. The AFRICAP investment fund and Britak Insurance Firm are among the top shareholders in the microbank with 5.52% and 10.93%, respectively. Another 5.52% is held by staff in an Employee Share Ownership Plan. The rest is held primarily by small-scale Kenyan farmers. Equity Bank services about 12% of all bank accounts in Kenya. **March 26. 2007**

Top Story February: Gates in Microfinance: Year Two Begins

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Cracking the Capital Markets?

Global Bank Credit Suisse sponsored Boston-based microfinance network charity AaccionInternational's conference entitled 'cracking the capital markets" in New York city. Encouragingly, the conference sold out. On the other hand, most attendees were industry insiders. This forum constituted the largest investment-focused gathering to date. **March 26. 2007**

TIAA-CREF Looking for More

At the Cracking the Capital Markets conference, Scott Budde, Managing Director of Social and Community Investing for USD 400 billion pension fund TIAA-CREF expressed further appetite for microfinance investing after the landmark USD 43 million dollar equity investment in 2006 into ProCredit Holding. He stated that even though equity investing in microfinance remains complicated due to the poor transparency of industry information, his group prefers equity to debt. Future investments will be made working with a specialized microfinance asset manager, although no firm(s) have yet been named. The minimum investment for the giant pension fund is USD 500,000. Mr. Budde expressed concern about role of subsidized capital in microfinance. **March 25. 2007**

Gray Ghost Touts Returns

At the Cracking the Capital Markets conference, David FitzHerbert of Gray Ghost said that the fund of funds was growing at a 40% annual rate and posting better than a 20% return on investment. The fund is designed for high net worth individuals and institutions with no retail accommodation. Mr. FitzHerbert was appointed as the first outside member of the Gray Ghost Investment Committee in July 2006. He is the Deputy Chairman of the Credit Committee of the Deutsche Bank Global Commercial Microfinance Consortium and a Member of the Investment Committee of the Bellwether Fund in India. He also sits on the board of Accion Investments in Microfinance and the Balkans Financial Sector Equity Fund. **March 26. 2007**

Domini Waiting

At the Cracking the Capital Markets conference, Jeff MacDonagh of Domini Social Investments, a large "socially-responsible investment" mutual fund, stated that microfinance investing presents "technical barriers" manifest in "hidden costs". **March 26. 2007**

Parnassus Equity Income Fund Invests $500,000 in MicroVest I

The Parnassus Equity Income Fund has invested a 2 year, $500,000 note subscription in MicroVest 1, LP, a microfinance fund established in 2004. It was founded by three non-profit organizations; CARE, an international non-profit humanitarian organization; Mennonite Economic Development Associates (MEDA), a US and Canadian Christian business and professional association; and SEED Capital Development Fund, a US non-profit organization which aims to link MFIs to local and international capital markets. Based in Bethesda, Maryland, USA, the fund is managed by MicroVest Capital Management. As of September 2006, MicroVest had total fund assets of USD 24,230,000 and 25 active microfinance investments. Parnassus is a mutual funds investment company established in 1984 in San Francisco, USA and as of the year end 2006 manages over $1.3 billion in assets under management. It is MicroVest 1, LP's first American mutual fund investor.

Nicaraguan Microbanks Win Transparency Award

Non-profit microbank Programas para la Mujer (ProMujer) Nicaragua and non-profit microbank Asociación de Consultores para el Desarrollo de la Pequeña (ACODEP) also of Nicaragua were the two Latin American winners of the Consultative Group to Assist the Poor (CGAP) Financial Transparency Awards 2006. The 20 winning organizations in the 2006 awards came from a record 231 entries in 62 different countries. In addition, 83 organizations were awarded 'merit recognition' for showing substantial, although not complete compliance. The awards are judged against compliance with international disclosure guidelines, including microfinance specific 'CGAP Disclosure Guidelines' as well as other more widely accepted 'International Financial Reporting Standards' (IFRS). In 2005, there were only five winners and 63 organizations awarded 'merit recognition'. **March 23. 2007**

Grameen Bank Seizes Roofing

We run the following story at the risk of singling out the Grameen Bank. However, this story illustrates the extreme challenges that all micro-banks, not just Grameen, face as most formal micro-loan contracts are essentially unenforceable in weak economies. According to The New Nation, a Bangladeshi newspaper, Grameen officials put immense pressure on the co-recipients in the lending group of Mariam and Shamir Uddin, who had defaulted on their loan. The Uddins claim that Entaz Ali, a Grameen fieldworker, directed the loan co-recipients to seize the tin roofing and siding off the house of Mariam and Shamir Uddin in Amritapur village in northern Bangladesh. Grameen Bank officials have admitted that the seizure occurred but contend that the villagers who shared loans with the defaulters are responsible for the entire incident. **March 22. 2007**

Citigroup Foundation Gives USD 570,000 for Asian Best Practices

The Citigroup Foundation awarded a two-year USD 570,000 grant to the Foundation for Development Cooperation (FDC) and the Banking with the Poor Network (BWTP). The grant, destined for ten Asian countries, will be used to promote public-private partnerships and microbanking best practices. Citigroup has already granted about USD 32 million to microfinance programs and organizations in over 50 countries, with more than USD 13 million in microfinance grants in Asia since 1997. The Banking with the Poor Network is an organization of 31 development associations, including the FDC, in eight South Asian countries. The Foundation for Development Cooperation is an international development think tank based out of Australia. **March 20. 2007**

MicroFinance Network's Governance Framework

The MicroFinance Network (MFN), a network of 37 microfinance institutions (MFIs) worldwide, announced that all of its members have conformed to and endorsed the policies and governance recommendations developed by the Council of Microfinance Equity Funds (CMEF). Deborah Drake, CMEF coordinator, hopes that MFN endorsement will promote the use of best practices for governance among other global MFIs. CMEF is an organization of private entities making equity investments in MFIs in the developing world. The members include Citigroup, Deutsche Bank, Opportunity International, Soros Economic Development Fund, Unitus, and 13 others. **March 19. 2007**

IFC Lends $3.7mm to Tameer Microbank

International Finance Corporation (IFC) officially agreed to make Tameer Microfinance Bank (Tameer) of Pakistan a long-term loan of up to USD 3.7 million. Tameer, based out of Karachi, Pakistan, has 18 branches spread throughout Karachi, Lahore, and Hyderabad. In 2001, it was licensed and began its microfinance operations, including basic financial services, local remittances, life insurance, and depository services. As of 28 February 2007, Tameer had 23,420 active borrowers with the equivalent of USD 15.2 million total loans dispersed. During the 2006 fiscal year, the IFC had USD 38.4 billion in total assets and USD 250 million in fund assets allocated to microfinance projects spread throughout 52 active investments. IFC also reports, via MIX market, a 17% return on its microfinance portfolio. **March 16. 2007**

Gambian Central Bank Governor Criticizes Government Microfinance

Famara Jatta, the Governor of the Central Bank of Gambia, publicly criticized governments that use credit schemes to transfer resources to specific target populations and agreed with groups that advocate for governments to disengage from microfinance. He added that governments should play a legal and supervisory role. Governor Jatta did not criticize microfinance as an industry, but rather praised the financial services it provides as helpful to human and economic development. He did, however, suggest that, since poor clients require financial services beyond credit, microfinance institutions (MFIs) operating in his country expand their services to include savings, transfers, and insurance, pointing out the success of such programs in Latin America. The MIX market, the microfinance information clearinghouse, does not report any MFIs operating in the Gambia. MIX does indicate three market-facilitating networks and 11 microcredit funds. **March 14. 2007**

MicroCredit Enterprises Provides USD1.4 million to three Microbanks

MicroCredit Enterprises (MCE), a US guarantor, announced the approval of three new loans to microfinance institutions (MFIs), totaling USD 1.4 million. The loans were made to Hattha Kaksekar Limited of Cambodia (USD 600,000), Finance for Development LLC in Azerbaijan (USD 700,000) and FINCA Peru (USD 150,000). Hattha Haksekar has a loan portfolio of nearly USD 6 million and 11,400 clients. Finance for Development (FinDev) has a USD 2.3 million loan portfolio spread over its 3,700 clients in central Azerbaijan. It was founded in 1997 by Oxfam Great Britain. FINCA Peru is an NGO based out of Lima, Peru that has approximately 7,200 active borrowers and a gross loan portfolio of just over USD 1 million. **March 13. 2007**

Belgian VDK Savings Bank Enters $45mm

Incofin, a Belgian social investment firm with experience in microfinance, is advising VDK Savings Bank on the VDK MFI Loan Portfolio, worth the equivalent of USD 45.9 million. The bank now lends directly to microfinance institutions (MFIs) in Latin America and Central Asia. VDK is the first Belgian commercial bank to feature direct lending to MFIs. VDK Savings Bank, headquartered in Ghent, reports to have over USD 3.3 billion in total assets. Incofin manages 19 microfinance initiatives. **March 12. 2007**

Deutsche Bank Launches Eye Fund I

Once again, microfinance investment infrastructure provides a launch pad for innovations into new sectors. Deutsche Bank Americas announced a USD 20 million commitment through 2013 to the Eye Fund I, partnering with the International Agency for the Prevention of Blindness (IAPB), an advocacy organization, and Ashoka, a social enterprise club. The fund will invest in eye care hospitals in developing countries with loans, guarantees, and a sister grant pool. This is the first time that the eye care hospital industry in the developing world is assuming debt in a systemic way. This initiative is an expansion of Deutsche Bank's microfinance work, the centerpiece of which is the Global Commercial Microfinance Consortium, which has committed over USD 70 million in local currency to 19 microfinance institutions (MFIs) since its inception in 2005. **March 9. 2007**

MiBanco Picks Chase Cooper

MiBanco, Peruvian microfinance institution (MFI) selected London-based Chase Cooper Ltd's "aCCelerate" as its platform for managing operational risk. Selected in part for Sarbanes-Oxley obligations, according to Jose Delgado, head of risk for MiBanco, the microbank hopes that the technology's implementation will help with expansion into other South American countries. In 2005, MiBanco enjoyed 33 percent market share of microfinance in Peru, owning one of every two new banking offices opening in the country. It reported having a total loan portfolio of USD 320 million as of 31 December 2006 and USD 388 million in total assets. **March 8. 2007**

PlaNet Finance and UNDP Launch HIV/AIDS Guarantee Fund

French-based PlaNet Finance has teamed up with the United Nations Development Programme (UNDP) to launch the Programme for the Support of the Associates and Communities struggling against HIV/AIDS (PAMAC). The program will guarantee funds for microloans to people with HIV/AIDS living in Burkina Faso, a West African landlocked nation with a population of 13.2 million, 2.3 percent of which is infected with AIDS. **March 6. 2007**

Eastern European Award Created

The Microfinance Centre, an international network of 104 microfinance institutions (MFIs) throughout Central and Eastern Europe, announced an award to recognize innovations, products, technology applications, social performance, and delivery mechanisms in MFIs. Its partner institutions include the Consultative Group to Assist the Poor (CGAP), United States Agency for International Development (USAID), Citigroup Foundation, Microsave, and the International Organization for Development Co-operation (ICCO). The Centre was launched in 1997 in Warsaw, Poland and provides training, technical assistance, impact assessments, workshops, seminars, exchange visits, and information dissemination. It had a USD 2.6 million total funds balance at the end of 2005. The deadline for submitting award applications is March 30, 2007. **March 5. 2007**

Pakistani Government Hot on Microfinance

Pakistan's Prime Minister, Shaukat Aziz, approved a strategy, prepared by the State Bank of Pakistan, to expand the coverage of the microfinance sector in Pakistan from its current level of one million households to three million households by 2010. Prime Minister Aziz is a staunch supporter of microfinance. The Governor of the State Bank of Pakistan, Dr. Shamshad Akhtar, stressed the need for commercialization of the industry and for restructuring existing, large microfinance providers to make the scale-up financially and socially sustainable. Currently, there are 18 microfinance institutions reporting to MIX Market, the microfinance information clearinghouse, with an estimated total gross loan portfolio equivalent to USD 107 million. **March 2. 2007**

Indian Public Banks Fighting Dirty

Against substantial opposition, the Union Cabinet of India cleared a bill that will empower the National Bank for Rural and Agricultural Development (NABARD) to regulate the Indian microfinance sector. Only microfinance institutions (MFIs) operating in the form of trusts, societies, and cooperatives will be controlled by NABARD, excluding non-bank financial institutions. This will require all such MFIs to register under the Microfinance Development Council (MDC), which will be a NABARD entity. The MDC will allow MFIs to raise savings only after getting specific approvals from the council. This bill may also make the newly-created government microfinance development fund the centralized recipient of all the grants from foreign donors received by included MFIs, indicating a massive centralization of the industry. The India Times quoted an anonymous source: "NABARD being a regulator for the sector does not seem ethical because it is the largest lender to self-help groups." A massive, glaring conflict of interests is indeed "unethical" or worse. Cooperative lenders oppose the bill because it brings them under a dual set of regulations. Finally, the exclusion of non-bank financial institutions in the bill means that financially-sound MFIs will not be permitted to raise savings. Nearly two-thirds of the players in the microfinance industry operating within India fall into this category. Stinks like a rat. **February 28. 2007**

Triodos Fair Share Fund Buys $1mm in Cambodian Entrepreneur Building Ltd.

Triodos Fair Share Fund invested USD 1 million in the shares of Cambodian Entrepreneur Building Ltd. (CEB) CEB is the third largest regulated and licensed microfinance institution in Cambodia. CEB was founded in 1995 and operates out of five provincial branches and 16 district offices. As of December 31st 2005, CEB had a gross loan portfolio of USD 6.3 million, total assets of USD 7 million, a return on assets of 3.73%, and a debt to equity ratio of 359.32%. Micro-Credit Ratings International Limited (M-Cril), a microfinance rating agency, gave CEB a rating of alpha minus for 2002. Triodos Fair Share fund was launched in December 2002 and reports USD 18.6 million in fund assets, of which USD 16.9 million are allocated to microfinance investments and USD 1.5 million is invested in or committed to microfinance investments, but not yet disbursed as of 31 December 2005. During the same period, Tridos Fair Share had 13 active microfinance investments with USD 9.5 million allocated to microfinance investments projected in the following 12 month. **February 27. 2007**

2007 List of Microbank Ratings Published

New rating reports have been added to the Rating Fund website since the beginning of January 2007, bringing the site up-to-date. The Rating Fund is a fund that subsidizes performance ratings of microbanks. The fund is managed by ADA in Luxembourg, a non-profit supporting microfinance worldwide. The following list names the rated banks and the institutions that provided the rating: UCEC Pala, Chad; Fundamic Ecuador; FADES Bolivia; and CACSMM, Peru by PlanetRating; ProMujer Mexico, Fondo 5 de Mayo, Mexico, and FDD, Dominican Republic by Microrate; Insotec, Ecuador and Fundacion Alternativa, Ecuador by Microfinanza;; FDD, Dominican Republic; Banco PyME BHD, Dominican Republic; and FADES Bolivia by Fitch Ratings; SKDRDP, India by CRISIL; and Mahasemam Trust, India by M-CRIL. Sign up to receive the above email alert about newly published ratings by sending an email to info@ratingfund.org. . **February 26. 2007**

MicroCred Madagascar Opens

MicroCred Holdings officially inaugurated MicroCred Madagascar in Antananarivo, Madagascar. The microbank has been operational since 6 December 2006, and thus far, as of 31 January 2007, has 519 clients and an active loan portfolio of USD 624,808. MicroCred Holding was created as a Planet Finance project in July 2005 with a total initial capital of USD 41.45 million. Other shareholders of MicroCred include Société Générale, Axa Belgium and the International Financial Corporation, a World Bank group. **February 23. 2007**

Gates Provides $15.4mm to Opportunity

After opening its second year of serious microfinance activity with large grants to CGAP, a non-profit policy outfit, and ProCredit Holdings, a $2.3 billion dollar for-profit microbank, the Bill & Melinda Gates Foundation made its third major microfinance transaction of 2007 with a grant of USD 5.4 mm and a loan of USD 10 mm to Opportunity International, one of the world's largest microfinance charities. This support will help finance start-up microbanks in Rwanda, Uganda, Kenya and the Democratic Republic of the Congo (DRC), in addition to an expansion of its OI's microbanking in Ghana. The $10 million loan will be repaid over 10 years at 1 percent interest. **February 22. 2007**

MicroCred Mexico Backed by IFC and CAF

The International Finance Corporation (IFC) and the Andean Development Corporation (CAF) will take stakes in MicroCred Mexico of MicroCred Holdings. IFC will take a 15 percent stake and CAF will have a 9 percent stake. Other current investors include MicroCred Holdings, its parent organization PlaNet Finance, which is an international network of non governmental organization based in France, and the Mexican private equity fund Protama. MicroCred Mexico, created in January 2006, currently has 3,000 active borrowers and a loan portfolio equivalent to USD 1.31 million. IFC's original approved investment in MicroCred Mexico is an equity investment of up to USD 0.8 million and a senior debt of the equivalent of up to USD 4.2 million in Mexican Pesos. MicroCred Holdings was created by PlaNet Finance and has invested USD 0.8 million in MicroCred Mexico. MicroCred Holdings reports that, outside of MicroCred Mexico, it will invest only in preexisting commercial companies or banks in Latin America, Asia, Africa, and the MENA region. It does not make any of its financial data publicly available. PlaNet Finance is a French-based organization that began in 1999 and reported having the equivalent of a USD 8.9 million annual budget in 2005. **February 21. 2007**

EBRD Lends $3.9mm to KEP in Kosovo

The European Bank for Reconstruction and Development (EBRD) will provide its first loan of almost USD 4 million to a non-governmental organization, Kosovo Enterprise Programme (KEP) of Kosovo. The loan will enable KEP to finance small and medium-sized enterprises (MSMEs). EBRD was established in 1991 to provide project financing for banks, industries, and businesses, including both new ventures and investments in existing companies. According to the EBRD 2005 annual report, the company invested a total of USD 5.65 billion in 151 projects, of which USD 3.23 billion was invested in early and intermediate transition countries, such as USD 1.45 billion in Russia, and USD 0.92 billion in advanced transition countries. KEP was established in 1999 by the International Catholic Migration Commission, a Geneva-based NGO, to provide financing and consultancy to entrepreneurs in Kosovo. As of 31 December 2006, KEP had a gross loan portfolio of USD 13 million, total assets of USD 14 million, a return on assets of 7.10%, and a debt to equity ratio of 47.92%. In addition, as of December KEP had active borrowers totaling 6,613. **February 21. 2007**

Good News is Good News. CGAP Newsletter

CGAP announces its bi-monthly e-newsletter. In this publication and the broader website that supports it, CGAP plays to its strengths to good effect, namely, policy advice for its members (and the public), hands-on support for local and international officials, and technology. Last month, we ran a special issue on the Gates Foundation beginning its second year of microfinance support, which includes a five-year USD 24 million grant to CGAP, significantly increasing its USD 10 million annual budget. These resources make CGAP by far the largest and most important research and policy shop in the industry. CGAP's technology mission is to incubate technology that increases access to financial services. This first issue of the e-newsletter addresses technology. Here is a taste: "While it's by no means the only promising technology on the scene, CGAP technology expert Gautam Ivatury says that the growth of the telecom industry is probably the biggest force for expanding access to finance that we can identify today…3 billion is the predicted number of cell phone connections globally by end 2007. That's a stunning figure if you're considering the potential of mobile phone banking to provide financial services to the unbanked. In fact, that's the same number as CGAP's estimate of people without access to financial services around the world. While these two groups are hardly one and the same, this numerical coincidence does suggest enormous possibilities." The next issue of the newsletter is entitled, "Addressing new regulatory challenges." **February 20. 2007**

Virtual Library Still Most Comprehensive Publications List

For the most thorough list of periodical publications in microfinance, as always, please see the "Virtual Library on Microcredit" for the authoritative newsletter directory and other useful information. www.gdrc.org. **February 20. 2007**

IDB Invests USD 3 Million in New Micro-insurer ParaLife

The Inter-American Development Bank's (IDB) Multilateral Investment Fund (MIF) will invest USD 3 million in ParaLife, a new micro-insurance institution established to provide life insurance to people with disabilities, low-income families, and micro-entrepreneurs in Latin America. Founded on 31 January 2007 by Rolf Hüppi, a former CEO and chairman of Zurich Financial Services, ParaLife will include a reinsurance vehicle and partnerships with local insurance distribution organizations and local insurance companies in each of its markets. ParaLife is headquartered in Zurich, Switzerland, and its invested capital benefits operations in a number of countries in Latin America, primarily Mexico. **February 19. 2007**

Microfinance is Big Chip at "G8" Summit

According to the Financial Times, the German government will propose an African microcredit fund during the upcoming "G8" rich country club in June. Even though the article provides precious few facts and figures, it is still probably safe to assume this is bad news. Government "foreign aid" has a very ugly past. Why are we to think it will be any different this time? Microfinance is not magical. It can be undone like any other well intended plan by hamstrung policies and screwy politics. The Financial Times leads us to believe that this proposal is Berlin's bold response to taunts that tight-fisted Germans do not give enough foreign aid. If true, then microfinance has earned the dubious honor of being a chip at the richest table. **February 19. 2007**

Munich Re Plays for Industry Standard Forum on Microinsurance

The huge insurer Munich Re is making a strong play to host the industry standard conference for microinsurance. Below, please see the invitation to submit session proposals for the conference to be held November 2007 in Mumbai, India. Last year's conference was in Cape Town. The Munich Re Foundation, the philanthropic arm of Munich Re, is the major promoter of the conference. The conference organizers are now accepting applications from potential conference session presenters, and the submission deadline is April 15, 2007. Please find further details in the Events section below. **February 19. 2007**

Hivos-Triodos Fund Deals

Hivos-Triodos Fund (the "Fund") was created in 1994 and focuses on young organizations with a relatively high risk profile. It aims to act as a bridge between these organizations and the capital market. The Fund reports USD 28.8 million in assets, of which USD 27.2 million were deployed as of 31 December 2005. During the same period, the Fund had 36 active microfinance investments. The Fund invested USD 300,000 in **Fundación José Nieborowski**, based in Nicaragua, which is a non-regulated financial institution. As of 31 December 2005, it had a gross loan portfolio of USD 15.6 million, total assets of USD 17.7 million, a return on assets of 4.21%, and a debt to equity ratio of 338.75%. Micro-Rate, a rating agency, gave Nieborowski a rating of B + for 2004. The Fund lent USD 1.18 million to **Pride Tanzania**. As of 31 December 31 2005, Pride Tanzania, which was established in 1994, had a gross loan portfolio of USD 12.8 million, total assets of USD 13.8 million, a return on assets of 3.79%, a debt to equity ratio of 271.11%, and active borrowers totaling 71,315. The Fund lent USD 650,300 to **Sinapi Aba Savings and Loans Ltd,** based in Ghana. Sinapi, established in 2004, reports (as of 31 December 2005) a gross loan portfolio of USD 4.8 million, total assets of USD 8.2 million, a return on assets of -0.45% and a debt to equity ratio of 160.69%. The Fund lent USD 561,600 to **Marang Financial Services**, based in South Africa. According to its annual report, as of 31 March 2003, Marang had total assets amounting to approximately USD 16.5 million. The Fund invested 1 million in the Honduran Organización de Desarollo Empresarial Feminino (**ODEF**), a Honduran non-profit microfinance institution established in 1992. That organization reports a gross loan portfolio equal to USD 7.9 million, and total assets of USD 10.3 million at 2005 year's end. At that time, its debt to equity ratio was 142.45%, its return on assets was 2.02%, and its return on equity was 4.32%. In addition, as of the end of 2005, it reached 13,826 active borrowers and 8,101 savers. The Fund invested USD 232,904 in **Bereke**, based in Eastern Kazakhstan. Created in 2003, Bereke had a gross loan portfolio of USD 1.3 million, total assets of USD 1.5 million, a return on assets of 14.90% and a debt to equity ratio of 0.72% as of 31 December 2005. **February 28. 2007, March 2. 2007, March 5. 2007, March 7. 2007, March 12. 2007, March 23. 2007**

Oikocredit Deals

Established in 1975 by the World Council of Churches, Oikocredit is a co-operative financial development institution that provides credit to economically disadvantaged people, by financing cooperatives, micro-credit institutions and micro-enterprises. Oikocredit services a large number of beneficiaries in 58 countries, mainly in Asia, Eastern-Europe, Latin America and Africa. According to MIX market, the microfinance information clearinghouse, Oikocredit reported having USD 304.2 million in fund assets, of which USD 126.2 million are allocated to microfinance investments and USD 45.1 million are invested in or committed to microfinance investments, but not yet disbursed as of 31 December 2005. During the same period, Oikocredit had 219 active microfinance investments with USD 82.5 million allocated to microfinance investments projected in the following 12 months. During the month of March 2007, Oikocredit issued many loans to Central American microfinance institutions (MFIs). **Pana Pana**, a Nicaragua-based MFI, received a USD 250,000 loan from Oikocredit, and Guatemala-based MFI, **Asociación de Desarrollo Integral Rural (ASDIR),** received a USD 400,000 loan. Established in 1999, ASDIR had a gross loan portfolio equal to USD 1.7 million, total assets of USD 2 million, a debt to equity ratio of 349.39%, return on assets of 1.48%, and a return on equity of 7.43%, as of 31 December 2005. In the same period, ASDIR had 822 active borrowers. Two other Nicaragua-based MFIs were awarded substantial loans from Oikocredit. Asociación de Consultores para el Desarrollo de la Pequeña, Mediana y Microempresa (**ACODEP**) received a USD 2 million loan, while Fondo de Desarrollo para la Mujer (**FODEM**) was granted a USD 800,000 loan. Begun in 1990, ACODEP had assets of USD 19.5 million, a loan portfolio worth USD 15.8 million, a debt to equity ratio of 309%, and return on assets of 8.9 %. A newer and smaller company, FODEM was created in 2001. As of 31 December 2005, FODEM had a gross loan portfolio of USD 2.9 million, total assets of USD 3 million, debt to equity ratio of 152.68%, return on assets of 8.82%, and return on equity of 21.03%. El Salvador-based MFI, Asociación Cooperativa de Ahorro y Crédito Vincentina de R.L. (**ACCOVI**) received a USD 2 million loan from Oikocredit. Established in 1965, ACCOVI had a gross loan portfolio of USD 26.3 million, total assets of 34.3 million, a return on assets of 0.07%, and a debt to equity ratio of 391.71%, as of 31 December 2005. Oikocredit made investments, not just loans, in some MFIs as well. Institution Mutualiste Communautaire d'Epargne et de Credit (**IMCEC**), a six-year old MFI based in Senegal, Africa, received a USD 650, 400 investment from Oikocredit. As of 31 December, IMCEC had a gross loan portfolio of USD 571,122, total assets of 907,359, a return on assets of -8.01%, and a debt to equity ratio of 147.07%. **March 22. 2007, March 21. 2007, March 15. 2007, March 14. 2007, March 8. 2007, March 1. 2007**

responsAbility Deals

The responsAbility Global Microfinance Fund (the "Fund) was founded in 2003 by numerous large Swiss financial institutions including Credit Suisse, Raiffeisenbanken, Baumann & Cie Banquiers, Alternative Bank ABS, and the Andromeda Fund. As of 1 January 2007, responsAbility Microfinance, reports to MIX market, the microfinance information clearinghouse, as having USD 96.2 million in fund assets, of which USD 89.6 million are allocated to microfinance investments. The investment advisor of the fund is responsAbility Social Investment Services AG, and Credit Suisse Microfinance Fund Management Company serves as the fund manager. The Jordan-based not-for-profit MFI, **Microfund for Women**, received a $350,000 loan from the Fund. As of December 31st 2006, its gross loan portfolio equaled USD 8.8 million and its total assets were USD 9.5 million. Its debt to equity ratio was 62.90%, and it had 23,501 active borrowers. The Fund awarded a $155,700 loan to **Association Al Karama de Micro Credit**, a Morocco-based MFI created in 1999. As of 31 December 2006, its gross loan portfolio equaled USD 1.7 million and its total assets were USD 2.1 million. Its debt to equity ratio was 3.96%, and Al Karama had 8,071 active borrowers. **Fundación Campo** of El Salvador received a $100,000 loan from the Fund. Created in 1996, Fundación Campo (as of 31 December 2005) had a gross loan portfolio of USD 2.1 million, total assets of USD 2.6 million, a debt to equity ratio was 17.94%, return on assets of 6.42%, and return on equity of 7.07%. In addition, it had 2,962 active borrowers. The Fund lent USD500,000 to Asociación de Consultores para el Desarrollo de la Pequeña, Mediana y Microempresa (**ACODEP**), a Nicaragua-based MFI founded in 1990. ACODEP had assets of USD 19.5 million, a loan portfolio worth USD 15.8 million, a debt to equity ratio of 309%, and return on assets of 8.9 %. Sociedad Cooperativa de Ahorro y Crédito AMC de R.L., better known as **AMC de R.L**, of El Salvador received a $100,000 Loan from the responsAbility Global Microfinance Fund. Created in 2001, as of 31 December 2005, it had a gross loan portfolio of USD 6.6 million, total assets of USD 8.6 million, a debt to equity ratio of 242.76%, a return on assets of 2.41%, and a return on equity of 8.40%. In addition, AMC de R.L. had 8,783 active borrowers. A Nicaraguan microfinance organization, Fundación para el Desarrollo Socioeconómico Rural (**Fundeser**), was the beneficiary of a $500,000 loan from the Fund. The organization began as a credit and training program for small agricultural producers in Nicaragua in 1997 and became legally established as a non-governmental organization in 2000. At the end of 2005, its gross loan portfolio equaled USD 4,294,195 and its total assets were USD 4,982,614. It had a debt to equity ratio of 329.83%, a return on assets of 2.25%, a return on equity of 9.09%, and 7,244 active borrowers. **March 20. 2007, March 19. 2007, March 16. 2007, March 15 2007, March 9. 2007, March 6. 2007**

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PAPER WRAP UP

Track Research and Recommendations

Role Reversal: Are Public Development Institutions Crowding Out Private Microfinance Institutions?

By Julie Abrams and Damian von Stauffenberg, sponsored by Calmeadow, 24 pages, download paper here:
http://www.microratestore.com/store/pages.php?pageid=5

This paper discusses the relationship between government-owned development institutions (called International Financial Institutions or IFIs in the paper), who concentrate their lending on the strongest microfinance institutions (MFIs), and the private lenders, who are left only smaller, riskier MFIs. The authors contend that the IFIs are crowding out the small private institutions from lending to the "best MFIs," in contrast to their public claim of taking the risks the private sector is unwilling to take. The authors describe "crowding out" in the microfinance industry as IFIs supplying MFIs with any combination of below-market financing. Examples include below-market interest rates, larger loans whose size is a multiple of a private investor's largest loan size, longer tenors, and extended grace periods that private investors cannot offer.

Crowding out can also occur when IFIs flood the microfinance market with capital, preempting the need for privately supplied capital. IFIs have also been known to offer MFIs low-interest loans in large amounts so that they can pay off their private loans. IFIs can crowd out private lenders by offering free technical assistance with the loans. The authors argue that it is inappropriate for IFIs to undersell private domestic or foreign sources of lending, making what they call "trophy loans" to MFIs that could and should fund themselves commercially.

Microrate, a microfinance rating agency, commissioned a study of funding patterns that confirmed that IFIs are not complementing private funding to MFIs, but rather crowding them out of the "most attractive parts of the MFI market." Microrate's data is backed up by data from the MIX Market, the private non-profit microfinance information clearinghouse associated with the world, indicating that a number of the largest MFIs reporting to MIX market receive all of their foreign loans from IFIs. The percentage is increasing, as thirty MFIs with portfolios of over USD 50 mn received 90 percent more funding from IFIs in 2005 than they did in 2004. The paper outlines several examples of IFIs crowding out private lending institutions in the microfinance industry.

Ms. Abrams and Mr. von Stauffenberg acknowledge that public institutions have been instrumental in attracting private funding to the microfinance industry. They cite incidences of IFIs taking first loss positions in collateralized debt obligations and securitizations, guaranteeing bonds and local bank loans, and helping to launch microfinance investment vehicles. They also say that efforts such as these have decreased among publicly funded development institutions.

In searching for the reason behind the phenomenon, the authors consider several possibilities. One is that microfinance has caught IFIs by surprise. The loan portfolios of Latin American MFIs tracked by Microrate have grown about 40 percent annually since 2001. The rapid expansion may have caused the decision makers at the IFIs to overlook the extent to which their loans are displacing private funding. The IFIs also face incentives to lend to the largest and safest MFIs. Because public institutions are typically not profit-driven, success is often measured in amount of money lent. It is easier for IFIs to spend their budgets in a few large loans than it is to find several recipients for smaller loans.

The paper makes the following recommendations for IFIs to act as a catalyst for private capital that would not otherwise invest in microfinance:

1. Make IFI funding transparent
2. Maximize commercial participation in innovative capital markets transactions
3. Seed the next generation of microfinance institutions
4. Help develop mechanisms to cover foreign exchange risk
5. Promote further private sector channels for microfinance and funding industry infrastructure

The paper concludes by once again acknowledging the important role IFIs have played in developing the microfinance industry and stressing that IFIs have far too often fallen to the temptation to go for the "low-hanging fruit" and crowd out private investors. The authors urge government-owned development institutions to change the way they operate and resume their role as a compliment to the private market, taking the risks that it is not able to take. One way to do this is to allow private investors access to the budgetary information of the IFIs. The increased transparency would help shift IFI investment into small, riskier MFIs and therefore encourage more private investing in microfinance. The end result would be an overall increase in microfinance funding.

Making Money Transfers Work for Microfinance Institutions: A Technical Guide to Developing and Delivering Money Transfers

Jennifer Isern, William Donges, Jeremy Smith, The Consultative Group to Assist the Poor (CGAP), 126 pages, download here:
http://www.cgap.org/portal/binary/com.epicentric.contentmanagement.servlet.ContentDeliveryServlet/Documents/Money_Transfers.pdf

Many microbanks are tempted to enter the "remittances" business of money transfer as their clients often receive money transfers from family relocated in rich countries. On one hand, intuition tells microbank managers that these revenue streams might be leveraged to improve operating margins, their clients' financial security and local community wealth instead of engorging the giant, near-monopolistic companies that currently dominate the remittances business. On the other hand, this opportunity is fraught with danger for microbanks and their clients alike.

The country side of poor countries is now populated with many individuals who have simply stopped trying to work as the toil and risk of planting or other activities become unnecessary thanks to the monthly transfer from the benevolent uncle working overtime in the rich world. For microbanks, jumping into a business which requires knowledge and infrastructure for cross boarder transactions can easily end in heavy losses on the income statement as well as other important liabilities. Also, many rich world banks are now offering a "zero cost" money transfer options in order to attract customers who are sending money home to open accounts. Nonetheless to say, microbanks should be wary of such fierce competition.

Technical guidance is warmly welcomed to assist microbank managers in the evaluation of the remittances opportunity. The 126 page guide is part of CGAP's broader Money Transfer Initiative. The purpose of this technical guide is to help financial service providers determine whether offering the risky services associated with money transfer is in their best interests. The guide also helps with the selection of appropriate strategies, products, and institutional structures needed to support a successful operation. The intended audience includes the senior management of financial service providers such as microbanks and other institutions that serve low-income clients. CGAP stresses that policymakers, regulators, donors investors and others involved in the money transfer market may also benefit from this guide. CGAP plans to field test this version through April 2007.

A Second Look at Microfinance: The Sequence of Growth and Credit in Economic History

Thomas Dichter, February 2007, Cato Institute, 16 pages, download here: http://www.cato.org/pubs/dbp/dbp1.pdf

In a recent article in the British Finance Magazine, Financial Times, Barney Jopson reports on the Cato Institute, a Washington-based think tank, paper arguing that the microcredit industry is overrated and will not meet its estimated potential. The potential is "grossly overestimated". According to Mr. Jopson, the Cato Institute's analysis asserts that the small loans will not be a source of significant economic or business growth because most people are not entrepreneurs and the loans tend to be spent on consumption. The report came out just after Germany announced its interest in using its G8 presidency to push for a high profile microcredit fund for African initiatives.

Of the microfinance pioneer Muhammad Yunus and his Grameen Bank, Thomas Dichter of the Cato Institute assets: "In Bangladesh, 30 years after Yunus's invention, poverty statistics are worse than they've ever been, so something else is the source of the problem and microcredit is not helping." The Cato institute also disagrees with Mr. Yunus's idea that credit is a human right and that microcredit helps the poor work themselves out of poverty. Making general assumptions about the population behaviors, the paper says, "The average poor person in the past is not an entrepreneur, and when he or she has access to credit it is largely for consumption or cashflow smoothing… the best financial services for poor or low-income people are savings-based services, which in their pure form do not need outside financial help, or for that matter the large microfinance industry that has evolved."

Mr. Dichter, a development expert and author of the report, also criticizes the influx of microfinance institutions. He claims that agencies are "jumping into this field" under the assumption that they can alleviate poverty without actually looking at the different causes of poverty in different regions.

The Cato Institute, founded in 1977, can generally be described as a libertarian think tank promoting individual liberty, limited government, free markets, and peace. Their skeptical view of the microfinance industry, which is increasingly gaining support and funding from NGOs and governments alike, is not entirely surprising. The institute has a history of criticizing initiatives that receive public funding. Cato is supported primarily by individuals with 25 percent of its funding coming from foundations, corporations, and the sale of publications. As reported on the institute's website, its revenues in 2005 were approximately USD 22.4 mn.

Thomas Dichter is an authority in the development industry with credentials that include a position as a country director for the Peace Corps in Yemen and consulting experience with the United Nations, US Agency for International Development, and the World Bank. Mr. Dichter also recently published another article about the shortcomings of microfinance entitled "Hype and Hope: The Worrisome State of the Microcredit Movement," arguing that the industry has done more harm than good.

Good Practice Guidelines for Funders of Microfinance

CGAP, 56 pages, download here: http://www.cgap.org/portal/binary/com.epicentric.contentmanagement.servlet.ContentDeliveryServlet/Documents/BetterAid06_guidelines.pdf

The second edition of the Good Practice Guidelines for Funders of Microfinance presents standards of good practice for funding microfinance and provides practical guidance for donor staff on how to best interact with and support the various actors in microfinance. The Guidelines, available in English, French, Spanish, Arabic and Russian, are currently being translated into Japanese as well. In addition, the next training will be held in Cairo, Egypt from April 15-19. For more information, please see: http://cgap.org/direct/training/training.php

A Billion Bootstraps: Microcredit, Barefoot Banking, and the Business Solution for Ending Poverty

Eric Thurman and Phil Smith, McGraw-Hill, April 2007, 224 pages, cost is $16.45 on Amazon.com

There is very little new information in this book. And while we would like to recommend it as a readable and comprehensive introduction to microfinance in 2007 backed by a major publishing house, we cannot. On the contrary, the book dangerously recycles platitudes, albeit slickly. While the title touts a "business solution," the business approach stops with the poor micro-borrower running a good business financed with a microloan. Otherwise, the book promotes charity. Microfinance is not charity. This is the same old same old: While the micro-borrower is expected to pay high interests rates to fund her business, the international aid agencies and charities in the rich world are held to the fuzzy standard of being run "like a business". The authors are apparently unaware of the internally inconsistent logic.

Author Mr. Thurman is the former CEO of Opportunity International, a Christian microfinance network, HOPE International, a Canadian development agency, and Geneva Global Inc., a philanthropic investment firm based in the United States. He is also founder of the fair trade corporation One World Projects, and is currently CEO of the Protos Fund, an institutional investment fund. Author Phillip Smith is the former CEO of Prize Energy Corporation and Tide West Oil Company, two US-based oil corporations. He is now an active philanthropist. The book explains the workings of the microfinance industry from the perspective of the donor. They address why they believe it permanently changes poverty and ensure the reader that an ordinary person can "accelerate the revolution" while earning substantial returns on microfinance investments.

The PR Newswire reports that the book "explores the causes of poverty and the reasons why traditional poverty-alleviation programs fail." The authors use an investment approach to encourage readers to practice as much prudence with their philanthropic investments as they do with their other investments. Mr. Smith and Mr. Thurman also encourage investors to commit more funds by detailing how many lives are changed through specific amounts of donated money, and they illustrate how leveraging contributions to microcredit can "lift one person in Rwanda out of deadly poverty" for as little as USD 2.20.

The authors state that "Poverty responds to the same investment principles that fuel business growth anywhere in the world." They encourage investors to seek out charities that offer the best return on investment, require measurable returns, and investigate the true overhead costs of the charity. There is also a chapter walking potential investors through ways he or she can connect with microfinance institutions and introducing critical questions to ask oneself before investing (or is it donating?), writing, "Microcredit is not as simple as sending money and a half-page loan agreement to an entrepreneurial person in a faraway country."

The book addresses the limits of microcredit, why microcredit interest rates are so high, and whether microcredit has more success in rural or urban areas. The book also points out the benefits of applying microcredit techniques to other poverty-alleviation services.

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UPCOMING EVENTS

Socially Responsible Investing for Institutional Investors and Asset Managers

March 29 & 30, Marriott Marquis, NY, NY

The Strategic Research Institute, the conference host, is part of ALM's Conference and Trade Show Division, one of North America's largest producers of educational and networking events for business leaders and the legal profession. Headquartered in New York City, ALM is an integrated media company, focused on the legal and business communities. The forum promises to touch on microfinance and will address the Future of Socially Responsible Investing; Community Investing; How Institutional Investors and Assets Managers are Adapting; Fundamentals of Urban Investing; Investment Strategies for Clean Technology; and Successfully Raising and Deploying Capital. Fee is $1,595. For more information, please call 1-800-599-4950 / 1-212- 967-0095 or e-mail: info@srinstitute.com

University of Pennsylvania Undergraduate Microfinance Club first conference "Microfinance: Poverty's Macro Solution?"

March 30, 2007 , Wharton's Huntsman Hall, Philadelphia, USA

The conference will feature keynote speakers Alex Counts, CEO and President of the Grameen Foundation, and Rupert Scofield, CEO and President of FINCA International. Additionally, the program will include a number of panels featuring scholars and practitioners working in the microfinance industry. The objective is to increase student awareness of work being done within the microfinance industry and opportunities for involvement. Students interested in learning more about opportunities to work in the microfinance industry should attend as well as individuals with little background in microfinance who are interested in learning more about the burgeoning industry.
See http://clubs.wharton.upenn.edu/microfin/Conference/overview.html or contact Jason Mischel – President jmischel@wharton.upenn.edu, Cecilia Vogel - Vice-President - evogel@sas.upenn.edu, no phone available.

HBS-ACCION Strategic Leadership for Microfinance

9 Apr 2007 - 14 Apr 2007, Cambridge, Massachusetts USA

ACCION International and the Harvard Business School team up to "provide management and leadership training to the microfinance industry's CEOs, executives, and key sector protagonists. The program will address issues confronting microfinance leaders, including: Succeeding in highly competitive markets; Maintaining a social focus in a commercial setting; Working with equity investors and accessing commercial capital markets; Reaching new business segments and evolving products." The fee is USD $5,300. For more information see http://www.accion.org/hbs.asp or contact hbsaccion@accion.org, no name or phone available, ACCION International's general number in Boston is 617-625-7080.

Microfinance in a Banking Environment: Models, Experiences and the Way Forward

25 Apr 2007 - 27 Apr 2007, Berlin, Germany

This conference is shaping up to be the European standard for microfinance capital markets. The European Microfinance Network's fourth annual conference "will focus on the relation between microfinance and the banking sector in Europe and how microfinance can develop within this strong developed sector." Fee is €350-600. For more information call Maria Franco at EMN at +33 (0)1 56 03 59 68 or m.franco@european-microfinance.org or see www.european-microfinance.org.

IMN Spring 2007 Asset Backed Securities to Feature Microfinance Workshop

April 29 – May 2, Miami South Beach, USA

Microfinance experts will be holding an emerging market due diligence and analysis workshop at the IMN Spring 2007 Asset Backed Securities conference. The session will be April 29 at 2pm. Over 650 issuers and investors are registered, representing International Portfolio and Products. "Issuers: Meet Latin American/ European/ US/ Canadian & Asian Investors Who Want to Buy Your Debt. Investors: Discover Investing Opportunities in the US/Europe and Other Emerging Global ABS Markets. Learn about the Newest ABS Products and Developments in the US and Emerging Markets." Conference fee is $2,395 and more information can be found at www.imn.org/esb927, or contact event Producer Jade Friedensohn Phone: 212-768-2800 ext. 260 Fax:212-768-2484, Email:jfriedensohn@imn.org

World Bank Conference "Access to Finance: Building Inclusive Financial Systems"

May 30-31, 2007, Washington D.C

The World Bank is hosting the conference to further the Millennium Development Goals, and as a follow-up to the Year of Microfinance. Together with the Brookings Institution, the Financial Sector of the World Bank is organizing the conference. Partners and co-sponsors include: ABN-Amro, Citigroup Foundation, Temenos, United Nations Capital Development Fund, and the World Savings Banks Institute.
For more information, please see http://web.worldbank.org/WBSITE/EXTERNAL/WBI/WBIPROGRAMS/FSLP/0,,contentMDK:20611560~pagePK:64156158~piPK:64152884~theSitePK:461005,00.html or contact Conference Coordinator, Ms. Colleen Mascenik, Financial Sector Learning Program, The World Bank, Washington, DC, Telephone: +1 202 473 7734
Fax: +1 202 522 7105, Email: cmascenik@worldbank.org

Accion International Delegation to Peru

1 June – 1 July

"ACCION invites you to witness the power of microfinance at work…Join ACCION partner Mibanco, Peru's first commercial bank committed to serving the poor. For three days, the delegation will meet with loan officers and visit the businesses of microentrepreneurs around Lima to see how microfinance is changing lives. Following the client visits, interested delegation members can continue on to Cuzco and Machu Picchu to celebrate the winter solstice on June 24, 2007. Contact Accion for fee information at campaign@accion.org or the general number in Boston is 617-625-7080.

Sanabel Fourth Annual Conference "Bridge the Gap, Maintain Focus"

12 Jun 2007 - 14 Jun 2007, Yemen

The conference is sponsored by Sanabel Microfinance Network of Arab Countries, the leading trade association in the region. "The theme for this year's conference is "Bridge the Gap, Maintain Focus" and will be held under the patronage of H.E. Ali Abdullah Saleh, the President of the Republic of Yemen. Conference Program includes: Panel Discussions; Workshops; Mini-Trainings; Action Plan Sessions; Financing Forum; Networking Opportunities; 2007 Regional Microentrepreneur Awards; Exhibition; Field Visits." The fee ranges from $250-350 with a discount for early registration until April 15. For more information, call 20-2-3370714 or 7488624 at 1 El Sad El Aly Square., 5th Floor, Suite 51, Dokki, Egypt, http://www.sanabelnetwork.org/en

Summer Academy 2007 "Leading Change in Microfinance Markets"

19 Aug 2007 - 31 Aug 2007, Bad Homburg, Germany

Sponsored by the Frankfurt School of Finance & Management. "The Summer Academy focuses on microfinance managers and has been designed for senior management from younger MFIs as well as mid-level managers from mature MFIs. The course will be particularly interesting for managers of MFIs undergoing a growth or transformation process. However, the course is also open for MFI practitioners from other perspectives, such as supervisors and regulators, investors or donors. To ensure a productive working environment, we have limited the number of participants to 30." Conference fee is EUR 4,990. For more information, please contact Carolin Drucks at +49-69154008-616 or c.drucks@frankfurt-school.de, http://www.frankfurt-school.de/content/en/intern_advisory/summeracademy_en.html

3rd African Microfinance Conference: New Options for Rural and Urban Africa

20 Aug 2007 - 23 Aug 2007

The last two African Microfinance Conferences were held in South Africa in 2003 and 2005. This event is backed by the Association of Microfinance Institutions of Uganda (AMFIU). "The Third African Microfinance Conference: New Options for Rural and Urban Africa will discuss the following topics: Segmentation; Management of Risk for Clients; Management of Risk for Financial Institutions; Value Chain Financing; Cutting the Edge/Innovations in Formal, Semi-formal and Informal Institutions; Role of Public Sector Support…More detail will appear on the conference website and the next announcement regarding: Accommodation rates, Pre and post conference tours; Social events; Technical tours; Keynote speakers; Registration procedure and banking details." The conference fee is $500 until July 15 and $650 thereafter. For more information, please contact Conference Secretariat: Global Events Management, Uganda International Conference Centre, Office No. 242, PO Box 33422 , Kampala , Uganda, Tel: +256 41 343 735, Email: gloevents@infocom.co.ug ; Web site: www.amfiu.org.ug .

Microinsurance Conference 2007

13-15 November, Mumbai, India.

This event is in its third year and jointly hosted by the CGAP Working Group on Microinsurance and the Munich Re Foundation with the support of the IRDA. The organizers of the conference have made a call for session proposals on the following themes:
1) Regulation, supervision and policy issues, such as; Key regulatory framework challenges and barriers to access; Different regulatory approach models that facilitate access and ensure sustainability (country examples); Microinsurance regulation as a tool to meet policy objectives
2) Innovations to improve efficiency and enhance benefits, such as: Efforts to lower administrative expenses (including use of technology); Market research, consumer education and client satisfaction; Mutually beneficial partnerships
3) Innovative microinsurance products, such as: Microinsurance coverage for agricultural losses; Successful property insurance policies; Microinsurance for disasters
4) Group vs. individual products: a comparison of: Marketing methods and underwriting standards; Price and benefits; The circumstances under which each is most appropriate; Other advantages and disadvantages

The conference Steering Committee includes: Mosleh U Ahmed, Microinsurance and Remittance Research Centre, United Kingdom, Arup Chatterjee, IAIS, Switzerland, Craig Churchill, ILO, Switzerland, David Dror, Erasmus University Rotterdam, The Netherlands, Véronique Faber, ADA, Luxemburg, Prem Kunnel, Consultant & Special Officer, IRDA, India, Jeremy Leach, Finmark Trust, South Africa, Michael McCord, MicroInsurance Centre, United States, Sabbir Patel, ICMIF, United Kingdom, G. Prabhakara, Member, IRDA, India, Ralf Radermacher, University of Cologne, Germany, Gaby Ramm, Advisor to GTZ, Germany, Marc Socquet, ILO, India, Martina Wiedmaier-Pfister, Consultant to GTZ, Ellis Wohlner, Consultant to SIDA, Sweden.

For more information, contact Dirk Reinhard, Vice Chair, Munich Re Foundation Telephone +49-89-3891-5909, info@munichre-foundation.org, www.microinsuranceconference 2007.org.
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WHO'S WHO IN MICROCAPITAL

Women's World Banking

International Charity, Microfinance Network, New York, USA

Women's World Banking (WWB) is an international charity based in New York City with the mission to advance and encourage the full participation of women in the global economy. Established in 1979, Women's World Banking (WWB) is a network of 50 microfinance institutions and banks that serve 18 million low-income entrepreneurs in Africa, Asia, Latin America, Europe and the Middle East.

Management includes: **Mary Ellen Iskenderian**, President and Chief Executive Officer, holds an MBA degree from the Yale School of Organization And Management and a BS in International Economics from the Georgetown University School of Foreign Service. Ms. Iskenderian, has held numerous leadership positions at the International Finance Corporation. Chief Operating Officer Ms. **Cathryn Mattson's** educational background includes an MBA in Marketing from Columbia University Graduate School of Business, an MAT in English from Converse College and a B.A. magna cum laude in English and Spanish from Tufts University. Ms Mattson joined WWB after establishing her own executive coaching and consulting business, and serving as Group Chair for The Executive Committee (TEC), the world's largest membership organization for chief executives, company presidents, and business owners. The Director of the Relationship Management Team, **Phyllis Wanjiku Kibui**, has eight years of experience as a financial manager and an auditor in a range of manufacturing and service industries in England and Kenya. She was also influential in building the Africa Microfinance Network Initiative (AFMIN) a network representing 365 institutions serving about two million clients in 13 countries in Africa, and for two years, Ms. Kibui was Finance and Administration Manager of the Kenya Rural Enterprise Program. At WWB Ms. Kibui responsibilities include determining the allocation of resources across network members, and developing measures of WWB impact on network members. WWB's Technical Service team is responsible for delivering services to WWB network members, and for researching and developing product offerings that respond to network members' needs. Mr. **Hans Dellien** is the Senior Manager of Microlending Services under the Technical Service team. His educational background includes a master's degree in Agricultural Economics and Rural Finance from the Ohio State University. Before joining WWB in 1998, Mr. Dellien worked for the International Project Consultants (IPC), which specializes in microfinance, and worked as a short-term consultant in Nicaragua, Guatemala, El Salvador and Bolivia. The WWB Financial Products and Services team is responsible for helping eligible network members mobilize commercial resources and achieve integration in the financial markets. Ms. **Louise Schneider Moretto** is WWB's Financial Products and Services Manager. Prior to joining WWB, Ms. Schneider worked with international donor agencies, such as USAID and the Inter-American Development Bank, and for nine years served as Vice President at JP Morgan and National Westminster Bank. Ms. Schneider has a master's in international economics and Latin American studies from Johns Hopkins School of Advanced International Studies and a Bachelors of Science in Business Administration from University of Vermont. WWB's Linkages and Learning Team manages services that are designed to support and enhance performance improvement among participating network members, as part of WWB's integrated offerings to network members. The Director of this team is Ms. **Nicola Cunningham Armacost**. Prior to joining WWB, Ms. Armacost worked in a union-side labor law firm in Canada, and has edited and produced papers for several academic journals, which mainly focused on the legal regulation of women in the informal sector. She has a bachelor's degree in international relations (Toronto), an LLB (Queens), and an LLM (Osgoode). The Policy Team plans and manages WWB policy change actions at global, country and regional levels, in collaboration with MFIs, national and international networks and other key players. Mr. **Francisco José Abate-Franjul** is the manager of Policy and Market Development, LAC. Prior to joining WWB Mr. Abate-Franjul worked as a legal counselor and as a commercial and investment banker for Banco Popular in Dominca Republic. Subsequently, he worked for Seed Capital Development Fund (SCDF) in Washington D.C. and later joined MicroRate, the first rating agency specialized in the microfinance sector, where he rated over 50 MFIs in Latin America, Africa and Asia. In addition, he holds a LLM in International Legal Studies, with a concentration in International Trade and Banking Law, and a MS in Finance, both from American University in Washington D.C.

Board of Trustees includes: Ms. **Mercedes Canalda** became WWB's Board Trustees Chairperson in 1998. Ms. Canalda is the founding President of ADOPEM (Asociacion Dominicana para el Desarrollo de la Mujer), a WWB affiliate MFI in the Dominican Republic. Vice Chairperson, **Inger Elisabeth Prebensen** is Deputy Director of Administration at the International Monetary Fund. Prior to this, Ms. Prebensen was Managing Director and Chief Executive Officer of the PostBank of Norway and has served on the advisory boards of ASEA Brown Bovery, Norway. **Mary Houghton** joined the WWB Board of Trustees as treasurer in 1996. She is also the President of Shorebank Corporation. Ms. Houghton also serves on the boards of several organizations providing credit in low income communities. The Secretary of the Board of Trustees for WWB, Ms. **Sylvia Fung Chin,** is a partner of the global law firm of White & Case, LLP. She is also a director of the New York County Lawyers Association and served as President of the Asian-American Bar Association of New York from 1994 to 1996 and President of the American College of Investment Counsel from 2002 to 2003. Ms. **Maricielo Glen de Tobón** is the President of the Corporación Mundial de la Mujer Colombia, the WWB affiliate in Bogotá. Prior to joining WWB's Board of Trustees Ms. Glen de Tobón served as the Executive Secretary of the Latin American Federation of Banks. Ms. **Diana Medman** is the leader of the Russian Women's Microfinance Network, the center of WWB network activities in that country. Ms. Medman joined the WWB Board of Trustees in 1998 and is currently the Director of AO Bioprocess, one of Russia's largest privately-held industrial groups. Dr. **Jennifer Riria** is the Chief Executive Officer of Kenya Women Finance Trust, a leading WWB affiliate. Dr. Riria also serves as a member of the Kenyetta University Senate, and is also the Chairperson of Kenya Post Office Savings Bank. In addition, she also serves on various other Boards, such as the National Bank of Kenya. Ms. **Jayshree Vyas** has been a member of the WWB Board of Trustees since 1998 and is the Managing Director of Shree Mahila Sewa Sahakari (SEWA) Bank in Ahmedabad. Before joining SEWA Bank she was a financial analyst at the Central Bank of India.

MicroCred Holdings

Microbank Holding Company, Paris, France

MicroCred Holdings is a subsidiary of the French organization PlaNet Finance established in 2005 to create commercial microfinance opportunities. While MicroCred does not make any of its financial data available to the non share-holding public, Microcapital.org recently reported its USD 787,740 investment in MicroCred Mexico. MicroCred Holdings reports that, outside of MicroCred Mexico, it will only invest in preexisting commercial microfinance companies in Latin America, Asia, Africa and the MENA region.

Its leadership includes **Arnaud Ventura** as Chief Executive Officer and Managing Director, co-founder of PlaNet Finance, MicroCred's parent institution. Mr. Ventura helped to create PlaNet Finance's global network and microfinance rating agency. He holds a diploma from l'École d'Ingénieurs des Technologies de l'Information et du Management, France. **Audrey Le Blanc** serves as the Communications and Reporting Officer and CEO Assistant. Ms. Le Blanc previously served in various positions in the French Institute, the official French government center of language and culture in London, Kingcom Press Agency, Absolutamente, and CoDevelopment Canada, a British educational non profit agency. Ms. Le Blanc has a Master's Degree in International Relations from Paris-La Sorbonne Nouvelle University/Middlebury College, and a diploma from the Institute of High Latin American Studies (IHEAL-Paris) where she specialized in relations between the United States and Latin America. **Laurence Quézel-Perron** is the Chief Finance Officer. M. Quésel-Perron previously served as senior consultant at Bain and Company, a global strategic consulting firm, as finance controller at Sucres et Denrées, a French international commodities trader, and as director of development and fundraising at Empreenda, a Brazilian microfinance institution (MFI). She holds an MBA from l'École des Hautes Études Commerciales in Paris. **Guillaume Gervais de Rouville** is MicroCred's Legal Expert, specializing in business law and project management in the area of sustainable development. Mr. Gervais de Rouville was previously a lawyer in international project finance at Clifford Chance, a London-based global law firm, a project manager for the United Nations Environment Program, and a project manager for Pro-Natura International, a French NGO operating in Brazil. **Florence Delisle** serves as an Operation Junior Officer to MicroCred, working as an assistant to the chief finance officer. She is a former trainee of the French Association for the right to economic initiative (ADIE). Ms. Delisle also created and managed an association of support to microenterprise projects in the Central African Republic. She holds a degree in financial management of the Ecole Internationale de Commerce et Développement 3A (EICD 3A). Bodo Lieberam serves as **Operations Manager**. He previously served as General Manager at NovoBanco SARL in Mozambique and as President and CEO at Micro Enterprise Bank in the Philippines. Mr. Lieberam was also a consultant for Internationale Projekt Consult GmbH, a Frankfurt-based international development consulting firm owned by ProCredit Holding AG, Frankfurt (previously Internationale Micro Investitionen AG). He holds a diploma in business administration from Justus-Liebig Universität, Germany, and a Bachelor's degree from the Institut Universitaire de Technologie. **Sarah Puzzuoli**, Operations Officer, specializes in rural microfinance. Before coming to MicroCred, Ms. Puzzuoli participated in the financial management of a Bolivian MFI before becoming a program officer on the creation of MicroCred at PlaNet Finance. She holds a diploma in management and finance from EICD 3A. **Malène Korvin**, Project Officer, conducted a mission of market study in Algeria and supervised several other missions of market research before joining MicroCred. Ms. Korvin was also in charge of PlaNet Finance's investment fund for small MFIs, MicroFund. She graduated from ESCP-EAP Paris, the European school of management, and has an MBA from the School of Management of the Asian Institute of Technology of Bangkok with a specialty in international affairs and finance. **Thomas Raoux-Cassin** also serves as a Project Officer. Mr. Raoux-Cassin currently assists the chief finance officer in the daily management and financial monitoring of MFIs. He is a former intern at the French Embassy to the USA and a finance officer at the Agency for Technical Cooperation and Development (ACTED), a French development NGO. Mr. Raoux-Cassin holds a Master's degree in International Business from Paris-Dauphine University and an M.Phil in International Relations with a concentration in Economics from the Institut d'Etudes Politiques de Paris (Science Po). **Simon Rey** is MicroCred's operations assistant. He was previously employed at Studiocanal, a major player in the French film industry. He graduated from ESCP-EAP, a French business school, and holds a Bachelor's degree in cinema from la Sorbonne.

The international leadership team of MicroCred includes **Sergio Arenas** as CEO of MicroCred Mexico. Mr. Arenas was previously the national director for the microfinance activities at Bancolombia SA, a private bank with microcredit activity in Colombia. He has a diploma of public accounting with a specialty in marketing from the Universidad de Medellin and the Universidad de los Andes. **Anne-Laure Goudard** serves as the Chief Finance Officer of MicroCred Mexico. Ms. Goudard's experience began with serving as Financial and Administrative manager for PlaNet

Rating. She also worked as an external consultant in several MFIs in Slovakia and Poland. Ms. Goudard was also a project coordinator and in risk management in the car industry before becoming the finance and human resources manager for an Afghan healthcare NGO. She holds a Master's Degree from the European School of Management ESCAP-EAP, Paris. **Michel Iams** serves as the CEO of Microcred Madagascar. Mr. Iams previously served the head of the Finance Department of the First Microfinance Bank of Afghanistan, in charge of human resource management and branch network development. He was also a microfinance consultant with Horus Banque & Finance. Mr. Iams holds a post graduate degree in development economics from Paris-I Pantheon-Sorbonne University and the French equivalent of an MBA from Ecole Superieure de Commerce de Paris. **Olivia Reynier** is the CFO of MicroCred Madagascar. Her previous experience includes field experience as a chief finance officer in several NGOs. Ms. Reynier has managed budgets in Europaid, DFID, and the United Nations.

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