CreditAccess Grameen IPO Raises $164m on Indian Stock Exchanges
Request a sample of the subscriber edition to read about this MicroCapital Deal of the Month!

30 Ghanaian MFIs Under Investigation for Possible Illegal Activity
Allegations of fraud and embezzlement have surfaced against roughly 30 microfinance institutions (MFIs) in Ghana. A preliminary investigation by the country’s Securities and Exchange Commission and the Economic and Organized Crime Office has found that the MFIs’ officers and shareholders have diverted clients’ funds to other ventures. For the duration of the investigation, officials have withheld the names of the MFIs under scrutiny, but the institutions have been blocked from collecting new deposits. An estimated 4,000 customers, including multiple providers of insurance and other financial services, are affected. The Bank of Ghana, the country’s central bank, is working to secure the deposits that the MFIs still hold as well as recover the misappropriated funds. It also reportedly has stated that customers will be able to recover their money, the total amount of which has not been released. August 28, 2018

Grameen Credit Agricole Foundation Lends $7m for Kosovo, DRC, Myanmar
The Grameen Credit Agricole Foundation, whose head office is in Luxembourg, recently informed MicroCapital that it is disbursing loans to: (1) Agency for Finance in Kosovo (AFK) in an amount equivalent to USD 1.6 million, to be disbursed in three installments; and (2) Luxembourg-based Advans Group in the amount of USD 5.5 million, primarily to refinance loans held by the group’s microfinance institutions in the Democratic Republic of the Congo and Myanmar. AFK is a microlender based in the city of Peja that aims to improve living standards in Kosovo by providing financial services to small businesses. Founded in 1999 by US-based NGO Mercy Corps, AFK reports total assets of USD 20 million and a gross loan portfolio of USD 18 million. Launched in 2005 with funding from six development finance institutions, Advans serves a total of 780,000 loan clients in nine countries in Africa and Asia with an aggregate gross loan portfolio of USD 723 million. August 13, 2018

IDB Disburses $148m for Latin American SMEs’ Energy-efficiency
With funds drawn from the UN-managed Green Climate Fund (GCF), the Inter-American Development Bank (IDB), a member of the US-based IDB Group, recently made three loans totaling USD 140 million to finance energy-efficiency projects undertaken by small and medium-sized enterprises (SMEs) in Latin America. The loans from IDB carry terms of 20 years and fixed annual interest rates of 0.75 percent with 5.5-year grace periods. Each loan is paired with a grant of up to USD 3.6 million for technical assistance regarding risk management and other aspects of disbursing energy-efficiency loans to SMEs. Each of the three loans is to a government-backed institution: USD 100 million to the Argentina’s Banco de Inversion y Comercio Exterior; USD 20 million to Banco de Desarrollo de El Salvador; and USD 20 million to Paraguay’s Agencia Financiera de Desarrollo. August 9, 2018

To access more of these top stories, please email info[at]microcapital.org to request a sample of the subscriber edition of this newspaper!
Calvert Loans $5m to One Acre for Farmers in East Africa

Calvert Impact Capital, a US-based NGO that raises funds for organizations with “a social and/or environmental focus,” recently loaned USD 5 million to One Acre Fund, a US-based NGO active in the agriculture sector in Burundi, Kenya, Malawi, Rwanda, Tanzania and Uganda. One Acre plans to use the proceeds to purchase the following products, which it plans to provide on credit to small-scale farmers: (1) inputs such as fertilizer and seed; and (2) “green” energy equipment, such as solar panels and environmentally friendly cook stoves. One Acre also has budgeted a portion of the loan funds for pilot programs in countries it has not previously served in East Africa as well as in Asia. One Acre reports total assets of USD 87 million, receivables from farmers of USD 10 million, and inventory including USD 19 million in farming inputs and USD 4.7 million in solar panels. August 10, 2018

Bank CenterCredit of Kazakhstan Borrows $45m from EBRD

The European Bank for Reconstruction and Development (EBRD), a UK-based multilateral institution, recently disbursed three-year loans totaling USD 45 million to Bank CenterCredit, a commercial bank in Kazakhstan. The fund package comprises: (1) a loan in the amount of USD 40 million for on-lending to micro-, small and medium-sized enterprises (MSMEs), with a focus on those operated by women outside of the major cities; and (2) a loan in the amount of USD 5 million to supplement EBRD’s Women in Business Programme with an initiative to “develop, test, and roll out tailored sustainable credit mechanisms targeted at women-led MSMEs.” Women in Business provides women in 19 countries with training, mentoring and financing. Established in 1988, Bank CenterCredit reports total assets equivalent to USD 4.3 billion, customer deposits of USD 3.2 billion, outstanding loans of USD 2.7 billion, return on assets of 2.2 percent, return on equity of 22 percent and 119 service locations. August 10, 2018

IIV Mikrofinanzfonds Lends $4.7m to ASA Pakistan

Germany-based Invest in Visions (IIV) recently announced that it loaned USD 4.7 million in July to the microlender ASA Pakistan. IIV disbursed the loan from its microfinance investment vehicle, IIV Mikrofinanzfonds, which loaned a total of USD 15 million during the month to otherwise undisclosed microfinance institutions (MFIs) in Ecuador, Pakistan, Paraguay and Tajikistan. ASA Pakistan is a subsidiary of ASA International, a holding company with offices in Bangladesh and the Netherlands. ASA International was co-founded by Md Shafique Haque Choudhury, the founder and President of ASA, a regulated non-profit MFI formerly known as the Association for Social Advance- ment. Incorporated in 2008, ASA Pakistan has total assets of USD 89 million and a gross loan portfolio of USD 68 million outstanding to 388,000 clients who are served via 256 branches. ASA International’s holdings include 12 institutions in Asia and Africa that operate 1,400 branches and have an aggregate gross loan portfolio of USD 299 million outstanding to 1.8 million borrowers. August 10, 2018

OPIC Loans $5m to Uganda’s Tugende for Motorcycle Leases

The Overseas Private Investment Corporation (OPIC), an entity of the US government that facilitates investment aligned with US foreign policy, recently loaned USD 5 million to Tugende Limited, a Ugandan motorcycle leasing company. Michael Wilkerson, the CEO of Tugende, said, “OPIC’s financing will help us provide financial security, asset ownership and higher income for thou- sands of additional drivers and improved quality of life for tens of thousands of their family members.” Tugende’s model involves guiding customers through the following steps: (1) attending a class on driver safety; (2) paying the equivalent of USD 26 to apply for a lease; and (3) if approved for credit, paying a deposit of…

To access more of these briefs, please email info(at)microcapital.org to request a sample of the subscriber edition of this newspaper!
SPECIAL REPORT

This vignette is the second in a sponsored series demonstrating the value of SAM (the French acronym for African Microfinance Week), a major conference dedicated to financial inclusion in Africa. The first three SAMs were held in Arusha, Tanzania, in 2013; Dakar, Senegal, in 2015; and Addis Ababa, Ethiopia, in 2017. The next SAM will take place in 2019 in a location to be announced soon!

The goal of SAM is to provide a unified platform for addressing issues facing microfinance in Africa by bringing together investors, microfinance institutions (MFIs), researchers, banks, networks, innovators, governments and other stakeholders.

The 2017 SAM hosted 700 participants from 58 (mostly African) countries, including representatives of 200 MFIs; 25 exhibitors at the Innovation Fair; and 26 investors who made 170 MFI contacts at the Investor’s Fair. The proceedings also included conference sessions presented by 60 speakers plus a menu of 20 training programs.

How the MFI Paidek is Leveraging SAM to Diversify Its Funding Sources and Product Line-up

Remy Mitima, who serves as Board Chair of the Congolese microfinance institution Paidek, has attended all three SAMs. He explains, “In Arusha, I met partners who ended up loaning us a total of USD 500,000 in two phases. This helped us strengthen our credit portfolio and serve more people. Today, we have an additional loan from the same partners.”

At the second SAM in Dakar, Remy and his team strengthened their relationship with other organizations that may help with the evolution of the MFI’s technology. Musoni is one group with which they began discussions, but Paidek hasn’t moved forward in this area yet due to budget constraints.

At the most recent SAM in Addis, Remy says his team learned “a lot about lending to youth.” As a result, the institution has resolved to adjust its methods for working with young people. Paidek has submitted an application to the UN to support these changes and now is waiting for a reply. Attendees from Paidek also met with old and new partners regarding the organization’s transformation from an NGO into a for-profit entity, which remains ongoing.

Paidek, which is located in the city of Bukavu in the Democratic Republic of the Congo, was founded in 1996 and now has nine branches. The institution has total assets of USD 5.3 million, a gross loan portfolio of USD 3.9 million outstanding to 15 million borrowers and USD 500,000 held for 980 depositors.

Remy also serves as President of the Microfinance African Institutions Network (MAIN). MAIN, which is a co-organizer of SAM, officially merged with Africa Microfinance Transparency during the most recent SAM. Based in Togo, MAIN has 84 members with an aggregate loan portfolio of USD 1.26 billion outstanding to 3.2 million customers in 23 countries.

“I met partners who ended up loaning us a total of USD 500,000…. Today, we have an additional loan from the same partners.”

Remy Mitima
Paidek Board Chair & MAIN President

ADA, an NGO based in Luxembourg, co-organizes SAM every two years with the support of Luxembourg’s Ministry for Development Cooperation and Humanitarian Affairs. The SAM steering committee members are ADA, Luxembourg’s Ministry of Foreign and European Affairs, the Microfinance African Institutions Network and the African Rural and Agricultural Credit Association. The Fédération des Association Professionelle des Systèmes Financiers Décentralisés de l’Union Economique et Monétaire Ouest Africaine is about to join the steering committee as well. We invite you to read more about SAM at http://www.microfinance-africa.org/.

RIM Institute Assessment Training for Independent Assessors

September 26-28 in Luxembourg

Drive your financial inclusion risk management consulting practice forward as you learn how to create an effective strategic risk management development plan.

www.riminitiative.org

GLOBAL SME FINANCE FORUM 2018
05 - 07 November
MADRID SPAIN

This is a free, abbreviated preview of a monthly report available by paid subscription at MicroCapital.org

© 2018 MicroCapital
Join us in Luxembourg
www.e-mfp.eu

EUROPEAN MICROFINANCE WEEK 2018
14 - 16 November

• Explore the most recent innovations, trends & opportunities in the inclusive finance sector
• Engage with 500 leading organisations from all over the globe

Leveraging on Alternative Delivery Channels (ADC) is key to achieving cost-effectiveness and greater outreach.

Fern’s ADC integration capabilities enable inclusive financial institutions to connect to established mobile money services, ATM networks and mobile devices to increase outreach and improve efficiency.
40+ years of investing in microfinance

Oikocredit is a worldwide cooperative and a pioneer in investing in microfinance. As a social investor, we provide loans, equity investments and capacity building support to organizations that are active in financial inclusion, agriculture and renewable energy.

If you are interested in our financial services, please contact a local Oikocredit representative who will draw up a customized offer aimed at establishing a long-term business relationship.

Contact us at: oikocredit.coop/leading

© 2018 MicroCapital
**EAR TO THE GROUND**

**Central American MFIs’ Quiet Evolution**

I never regret attending a REDCAMIF conference. The spirit of Central America - and now also the Caribbean - colors the event with a unique combination of knowledge and sentimentality. The conference always reminds me of why microfinance perseveres here. The region’s people have been through many trials, yet their spirits are undying. Two years ago, at the last REDCAMIF conference, the focus was on technological innovation. This year’s topic, placing clients at the center, reminded MFIs that technology alone is not enough - that their ability to compete with both consumer credit companies and digital solution providers would require leveraging their own relationships with clients to offer more customized products and services.

At the 2016 REDCAMIF conference in Nicaragua, MFIs reacted to the technology topic with trepidation. They seemed caught off guard and unprepared for the technical challenges ahead. This week, I had the same impression about client-centered approaches. I asked the audience of almost 800 participants how many thought that they already knew their clients enough to offer competitive products and services. Only five raised their hands. However, based on the advances I’ve seen on the technology side in the last two years, I am optimistic that client-centered approaches will take off in the region.

In the hallways and at panel discussions, I heard about mobile banking technology in Guatemala, where that country’s microfinance network is developing software that allows MFIs to pull credit histories from multiple credit bureaus into a single app that agents can access in the field. In El Salvador, some MFIs track their loan officers and plan client visits using advanced software tools. In most countries, mobile phones are the primary way that loan officers collect applications from clients.

And a few MFIs are starting to give their clients direct access to mobile services. Genesis Empresarial in Guatemala, for example, is piloting nano-loans that it distributes digitally. Habitat for Humanity has migrated all of its training on housing loans onto electronic platforms, including video, written and SMS content. Modestly, the MFIs claimed throughout the conference that they were “behind” other parts of the world in technological innovation. However, in addition to the above examples, almost all MFIs in the region have extensive agent networks that process loan payments, disburse loans, and - in some cases - accept savings deposits. As a whole, they are by no means behind.

If anything, the advances in technology are surprisingly quick, given the difficult market circumstances. Regulators have introduced new frameworks that prove costly, or downright impenetrable. Overindebtedness is a concern in some areas where consumer lenders and banks recently have entered the market. A fall in coffee prices this year - combined with the undeniable effects of climate change - present new challenges to rural lenders. Nicaragua, of course, has been dealing with a political situation that has hit hard against its MFIs and indeed its entire economy. Yet despite these issues, investment and growth is continuing. I suspect that by 2020 - when the next REDCAMIF conference is held in Honduras - we will be singing the praises of the region’s advances in client centeredness!

**About the Author:** Ms Barbara Magnoni is President of EA Consultants, a development-consulting firm based in New York. She has 25 years of international finance and development experience and has worked with organizations including Goldman Sachs, Chase and BBVA and has advised institutions such as the International Finance Corporation, the US Agency for International Development and the International Labour Organization. She may be reached at +1 212 734 6461 or bmagnoni[at]eac-global.com, or you may follow her on Twitter at BarbaraatEA.

---

**WOMEN’S LEADERSHIP ACADEMY**

**SEPTEMBER 17–21, 2018**

**Should the top job go to Esther?**

Yes

**Why?**

She empowers ✔
She inspires ✔
She is creative ✔
She is a good negotiator ✔
She thinks strategically ✔

No

**Why?**

She is a woman

**This is not a valid reason.**

She has trouble expressing her ideas

She has challenges closing deals

She feels uncomfortable speaking in public

This can be improved.

**DISCOVER YOUR LEADERSHIP SKILLS**

**AT OUR WOMEN’S LEADERSHIP ACADEMY**

---

This is a free, abbreviated preview of a monthly report available by paid subscription at MicroCapital.org
PAPER WRAP-UPS

A Roadmap for Making Inclusive Finance a Driving Force for Rural Development and Food Security


This report outlines the following set of indicators that correlate with how easily the actors in a country’s agricultural sector can access affordable and reliable services from financial institutions: (1) producers’ stage of development, including levels of operational capacity, productivity, financial literacy and expertise in dealing with adverse climate conditions; (2) capacity of financial service providers, including rural distribution channels, expertise in agricultural product development, higher capitalization, strong risk-management policies and efficient internal procedures; (3) development of agricultural value chains, including: producer access to farming inputs, packaging options, storage facilities, preservation systems and...

Youth Entrepreneurship and Financial Inclusion: Outlook for ASEAN and SAARC

By Mayank Jain, Dr Robin Gravesteijn, Zamiad Aligishievi and Richard Last; published by the UN Capital Development Fund; August 2018; 23 pages; available at http://www.uncdf.org/article/3890/

In order to boost the financial inclusion and hence the entrepreneurship of youth in Southeast Asia, the authors suggest the development of a range of financial technologies, such as: (1) alternative credit scoring to reduce...

Accelerating Financial Inclusion with New Data

By Ethan Loufield, Dennis Ferenzy, Tess Johnson; published by the Center for Financial Inclusion and the Institute of International Finance, May 2018, 30 pages; available at: http://www.centerforfinancialinclusion.org/storage/Accelerating_Financial_Inclusion_With_Data_2018.05_Final.pdf

This report presents cases of financial service providers using emerging data analysis techniques to reach poor people, including the following: (1) WeBank, which uses social media data to evaluate...

To access more of these paper wrap-ups, please email info[at]microcapital.org to request a sample of the subscriber edition of this newspaper!

Vision Microfinance: Social Impact Investing

Vision Microfinance is an appeal to combat poverty in a meaningful and sustainable way. So far 1.21 billion USD have been distributed in the form of 912 loans to 259 microfinance institutions in 60 countries. Thanks to our investors, the lives of over 1 m people in developing countries have been transformed.

Vision Microfinance allows private and institutional investors to participate in the „fast-growing“ microfinance industry. Investors benefit from the extensive asset management expertise of C-QUADRAT Asset Management, which works in close partnership with microfinance specialist Symbiotics, a market research expert in sustainable investments. This unique cooperation of fund manager and research team yields innovative microfinance solutions: Vision Microfinance.

www.visionmicrofinance.com

C-QUADRAT Asset Management GmbH, Schottenfeldgasse 20, 1070 Vienna | Phone: +43 1 515 66 0 | www.c-quadrat.com

This is a free, abbreviated preview of a monthly report available by paid subscription at MicroCapital.org