Goodwell Buys Equity Stake in Software Provider Musoni
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Kazakhstan Boosting Loans by $31m, Capping Mortgages at 7%
President Nursultan Nazarbayev of Kazakhstan reportedly has announced that his country’s government will increase its funding of “soft loans for small businesses” from USD 31 million to USD 62 million while offering unspecified “special incentives for rural entrepreneurs.” Mr Nazarbayev also said that the government will lower the cap on mortgage interest rates to 7 percent per year from approximately 16 percent. Meanwhile, it will extend the maximum mortgage term from 20 years to 25 years. March 20, 2018

IFC, OFID Lending Lafise of Nicaragua $75m for Housing, SMEs
Lafise Bancentro, the Nicaraguan member of Panama-based Grupo Lafise, recently agreed to accept a debt package arranged by the World Bank Group’s International Finance Corporation (IFC) to fund loans for housing as well as small and medium-sized enterprises (SMEs) for purposes including reducing energy usage and accessing clean energy sources. The package includes USD 50 million from IFC and USD 25 million from the Austria-based OPEC Fund for International Development (OFID), an affiliate of the 14-member Organization of Petroleum Exporting Countries (OPEC). The funds are a mix of seven-year senior debt and 10-year subordinated debt. Lafise Bancentro was founded in 1991 and has 2,800 employees as of 2018. Grupo Lafise offers banking, insurance, investment and other services in 11 countries in the Americas. It reports 2016 net income of USD 46 million on total assets of USD 3.9 billion. March 19, 2018

GuarantCo Commits $74m for Infrastructure in Africa via SMEs
The Kenya-based African Guarantee Fund for Small and Medium-sized Enterprises (AGF) recently accepted a re-guarantee facility of USD 74 million from GuarantCo, a member of the UK-based Private Infrastructure Development Group (PIDG), to reduce the risk for lenders to small and medium-sized enterprises (SMEs) in low-income countries in Africa. More specifically, AGF will use the facility to support lenders in disbursing “larger local-currency transactions for SMEs involved in infrastructure” projects such as transportation improvements and utility construction. Since AGF was founded in 2012, it has issued guarantees facilitating USD 729 million in lending to 7,600 SMEs. Both AGF and PIDG are backed by several multi- and bilateral government institutions. March 6, 2018

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MICROCAPITAL BRIEFS

Stanchart Going Mobile-only in Cote d’Ivoire
Standard Chartered, a UK-based bank with operations on five continents, recently began offering mobile banking in Cote d’Ivoire although it has no bank branches there. Users of the bank’s app can open current accounts, earn annual interest of up to 5 percent on savings, and send money locally and internationally. Standard Chartered’s Regional Head of Corporate Affairs and Brand and Marketing, Olga Arara Kimani, said the bank is not only looking to boost “awareness for our innovative digital offering but also at further enhancing financial literacy across the country…”. Standard Chartered reports 2017 pre-tax profit of USD 3 billion on total assets of USD 185 billion. March 28, 2018

Barclays Bank of Kenya Offers Mobile Banking via Timiza App
Barclays Bank of Kenya recently rolled out Timiza, an app for Android mobile phones that offers mobile banking services to individuals and groups via M-Pesa, a mobile money service of Kenyan internet service provider Safaricom. Timiza offers accident and funeral insurance equivalent to USD 10,000 for a premium of USD 0.42 per month. The app also offers term and target (automatic periodic transfer) savings accounts for terms of 30 days or more, paying annualized interest of 7 percent. The minimum amount for a term deposit account is USD 10. The minimum goal for a target savings account is USD 5, with a minimum periodic deposit amount of USD 0.50. Timiza loans have terms of 30 days, and fees and interest total 6.17 percent. Loan sizes vary from USD 0.50 to USD 10,000. Barclays Bank of Kenya is a member of Barclays Africa Group, which is in the process of changing its name to Absa Group. The group is 15-percent owned by Barclays PLC, a UK-based banking group. March 26, 2018

Outsized Consultant-matching Service Adds Office in South Africa
Outsized, a UK-based firm that matches financial services providers and investors involved in financial inclusion with vetted consultants, recently opened an office in South Africa. Since its launch in 2015, Outsized has developed a database of 1,300 consultancies, supporting 80 projects in areas including due diligence; digital financial services; and product design for micro-, small and medium-sized enterprises. Outsized Managing Director Niclas Thelander tells MicroCapital, “We help clients avoid the sometimes generic advice from big-name firms while expanding beyond the narrow universe of microfinance consultants with sometimes stale expertise in certain areas.” As part of the expansion to South Africa, Outsized is increasing its staffing from eight to 13 people. The firm also has a satellite office in India. March 15, 2018

FMO Loans $10m to VisionFund for Fragile States, Rural Areas
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (FMO), a development bank controlled by the Dutch government, recently agreed to lend USD 10 million from the Massif fund to VisionFund International, an NGO conducting microfinance activities in 32 countries for World Vision, a US-based Christian relief and development organization. VisionFund is to deploy the funding in Africa and Asia with a particular focus on fragile states and rural areas. The loan has a term of five years. Massif Fund Manager Jeroen Harteveld added, “The FMO financing is focused on providing longer-term financial access to these underserved communities thereby supporting poverty alleviation and job creation.” March 12, 2018

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MFIs Need Women, but Can Women Trust MFIs?

Three years ago, I founded Andares, Mujeres para las Microfinanzas - with Mariana Martinez and Paola Rojas - as a response to hearing women’s frustrations as they try to advance their careers in microfinance. In 2015 and 2016, the Inter-American Development Bank's (IDB's) Multilateral Investment Fund and the Calmeadow Foundation funded us to test our hunch that women are being left out of leadership positions in this sector. In the study, we surveyed 136 MFIs in Latin America and the Caribbean, most of which at the time were deemed “top” MFIs by IDB. Among these, women represented 53 percent of employees but only 18 percent of Board Presidents and 28 percent of CEOs. Why is this a problem when women hold only 6 percent of all Board positions in public companies in Latin America? Shouldn’t we be proud of this comparative progress?

The simple answer is that we have little to be proud of. The clients of these institutions, who traditionally have been low-income women, may be losing their sense of connection to the MFIs they frequent. This is a severe problem in a sector where willingness to repay loans is just as important as ability to pay. We have seen time and again microborrowers being persuaded by politicians, family members and community organizations to stop repaying their loans. However, rather than realigning to their clients' needs, many institutions have begun relying primarily on credit bureau data to make loan decisions. But no credit bureau will tell you how a client feels about your institution or if she will pay your loan if a local politician is wooing constituents to default.

In our paper “Beginning at Home,” available in Spanish, we argue that showing respect for women must be in an institution’s DNA. Just in the past few weeks of my global travels, I’ve heard of women being denied promotions at MFIs due to “safety” reasons. I also heard of exchanges of money for sexual favors. Personally, I was asked by a CEO upon entering a meeting whether anyone else was joining my female colleague and me. A final disappointment for me this week was a yucky set of material that a colleague in Peru sent me from a local microfinance publication. In multiple advertisements for the powerful Cajas Municipales, there are photos of women as decorations. One is in a costume mimicking dolls that appear next to her. Others are in tight, revealing clothing and beauty pageant-type sashes standing next to male “executives.” The man who sent me these photos asked, “What role do women have (still) in the microfinance industry in Peru? How can we contribute so that this changes?” I appreciate this question, and I’m happy to say the answers are not so difficult.

Firstly, speak up! When planning meetings and events, make sure all relevant actors - including women - are invited and consulted. Secondly, promote change from the inside. If the value proposition of microfinance is as a social business rather than a second- or third-tier bank, the sector needs to promote ethical and responsible behavior. If MFIs are to support low-income women, they need to put their money where their mouths are and begin “at home” by supporting the career growth of their female employees. Andares will continue to drive this change, engaging women and men in these efforts; but the commitment must be broader than any single organization.

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 Barbaram@EA.
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JUMO

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TRUSTCO

ZAR 420 M
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Debt Capital Raise

Ghana | 2016

FIRST ALLIED

GHS 50 M (USD 15 M)
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Debt Capital Raise

Lux | Zambia | 2014 - 2015

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PAPER WRAP-UPS

The Impact of Variations of Ultra-poor Graduation Programming in Uganda


This study includes a sample of approximately 6,000 Ugandan households in 138 villages that accessed programs of US-based NGO Village Enterprise. The researchers studied a control group and groups engaged in four sets of interventions: (1) unconditional cash transfers equivalent to USD 300; (2) cash transfers coupled with training on how to manage the money; (3) cash transfers with training plus mentoring; and (4) all three of these services plus participation in business savings groups (BSGs).

The fourth intervention - the full graduation program - had the largest impact. These participants’ annual consumption per capita, assets and cash inflows increased by…

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Blended Finance in Myanmar: TCX’s Role in Realizing Financial Inclusion Through Innovative Partnerships in Myanmar


The Livelihoods and Food Security Trust Fund (LIFT), a UN-managed funder of small businesses in Myanmar, facilitated an interest-rate subsidy of USD 10 million paired with…

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