



**MICROCAPITAL BRIEFS | TOP STORIES**

**\*Want More? Subscribe Today**

This month our subscriber edition includes 9 pages brimming with the best impact-investing news available, including many more briefs, event listings and summaries of current research. We invite you to request a free sample via [info\[at\]microcapital.org](mailto:info[at]microcapital.org).

**Symbiotics Issues \$26m in Bonds for Lenders in Costa Rica, India**  
Please see the subscriber edition for coverage of this “Deal of the Month.”

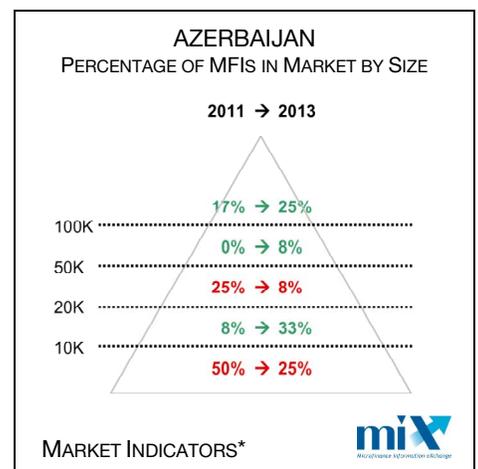
**Indonesia’s KUR Program to Disburse \$2.2b to MSMEs at 12% Interest**  
The Indonesian government intends to disburse the equivalent of USD 2.2 billion in small business loans under its ongoing Kredit Usaha Rakyat (KUR) program, which provides credit to micro-, small and medium-sized enterprises and cooperatives via state-guaranteed loans to commercial banks and microfinance institutions. Finance Minister Bambang Brodjonegoro said that the government would subsidize state banks so they could cut their microcredit interest rates from 21 to 12 percent. Gatot Trihargo, the Deputy Minister for Business Services at the State-Owned Enterprises Ministry, added that at an unspecified date “the government aims to further cut the lending rate to 9 percent, as it may secure funding from Japan of IDR 50 trillion (USD 3.70 billion) to subsidize the KUR interest rates.” In March, the government moved to increase KUR repayment rates with measures including a maximum amount of USD 1,150 for each loan disbursed without collateral. August 8, 2015

**Bank of Ghana Doubles MFI Capital Requirement to \$610k**  
The Bank of Ghana (BoG) recently increased the minimum capital requirement for microfinance institutions (MFIs) from the equivalent of USD 305,000 to USD 610,000. Deposit-taking MFIs are required to comply with the new regulation by June 2018 while the deadline for non-deposit taking MFIs is December 2018. MFIs that fail to comply with these requirements shall have their operating licenses revoked. As was reported by MicroCapital at the time, BoG increased the capital requirement for MFIs from USD 31,000 to USD 153,000 in 2013 and to USD 305,000 in March 2015. July 31, 2015

**Tanzania’s Yetu Microfinance to Launch \$5m IPO**  
Yetu Microfinance of Tanzania recently announced that it will launch an initial public offering with the aim of raising the equivalent of USD 5.63 million to expand and meet the USD 2.25 million in core capital that is required to become a licensed microfinance institution (MFI). Altemius Milinga, the managing director of Yetu, said that “the purpose of this offer is to recapitalize the company further and upon attaining the capital requirements for licensed financial institution, converting it into a microfinance bank.” The MFI plans to be listed on the Enterprise Growth Market, the Dar es Salaam Stock Exchange’s alternative market. Yetu reports 32,000 customers, who are served at 130 locations in Dar es Salaam, Lindi, Morogoro and Zanzibar. July 22, 2015

*(For more top stories, please refer to the subscriber edition\*)* 

| INSIDE                                                                   | Page      |
|--------------------------------------------------------------------------|-----------|
| <b>MicroCapital Briefs</b>                                               | <b>2*</b> |
| News on Impact Investing                                                 |           |
| <b>Ear to the Ground</b>                                                 | <b>4</b>  |
| A Nicaraguan Holiday                                                     |           |
| <b>Market Indicators</b>                                                 | <b>*</b>  |
| Courtesy of MIX                                                          |           |
| <b>Upcoming Events</b>                                                   | <b>*</b>  |
| Industry Conferences                                                     |           |
| <b>Paper Wrap-ups</b>                                                    | <b>6*</b> |
| Latest Research and Reports                                              |           |
| <b>Subscribe to the Monitor</b>                                          | <b>6</b>  |
| Subscribe, renew or advertise via<br>MicroCapital.org or +1 617 648 0043 |           |



**MICROCAPITAL BRIEFS**

**MicroCapital to Cover European Microfinance Week Onsite**

We at MicroCapital are pleased to announce that we again have been contracted to provide onsite reporting from European Microfinance Week, which will be held in Luxembourg from November 18 through November 20. We will publish multiple stories during the proceedings at <http://microcapital.org> and on Twitter @MicroCapital. For related content, please refer to the special coverage on page 4 of this newspaper. August 31. 2015

**Green for Growth Loans \$22m to ProCredit Serbia**

The Green for Growth Fund, Southeast Europe, a Luxembourg-based investment vehicle that supports energy-efficient initiatives, recently disbursed a senior loan equivalent to USD 22 million to ProCredit Bank Serbia, which specializes in lending to micro-, small and medium-sized enterprises. The credit facility aims to expand the bank's lending to replace old machinery in favor of "environmentally friendly" agricultural and processing technology. ProCredit Serbia is a unit of ProCredit Holding, which is based in Germany and operates financial institutions in 19 countries in Africa, Eastern Europe and Latin America. ProCredit Serbia reports total assets of USD 837 million, a gross loan portfolio of USD 668 million, total deposits of USD 449 million, return on equity of 20 percent and return on assets of 3.3 percent. August 11. 2015

**Sanad Fund for MSME Loans \$5m to Attijari Leasing of Tunisia**

The Sanad Fund for MSME, a Luxembourg-based public-private partnership that invests debt and equity in micro-, small- and medium-sized enterprises (MSMEs) in the Middle East and North Africa, recently agreed to issue a senior loan of USD 5 million to Attijari Leasing, an affiliate of the Tunisian arm of Morocco-based Groupe Attijariwafa. In addition to lease financing, Attijari Leasing offers factoring services, which involve purchasing of accounts receivable. Attijari Leasing reports total assets equivalent to USD 202 million, while Groupe Attijariwafa reports total assets of USD 40 billion from operations in 23 countries in Africa and Europe. August 11. 2015

**Rwanda's \$20m for New Faces New Voices to Support Women**

Jeannette Kagame, the wife of Rwanda's President Paul Kagame, recently launched a campaign that aims to boost the financial empowerment of women in the country, lifting 1 million out of poverty. The government is planning to allocate a total of USD 20 million through 2018 to New Faces New Voices, a women's advocacy organization that operates in 15 countries and was founded in Rwanda by Graca Machel, South Africa's former First Lady. While details on the new effort are not available, the goal of New Faces New Voices is to expand financial inclusion for women through advocacy, mentoring and other services. August 7. 2015

*(For more briefs, please refer to the subscriber edition)* 

**EUROPEAN  
MICROFINANCE  
WEEK 2015**

FINANCIAL INCLUSION FOR  
SUSTAINABLE DEVELOPMENT

18th - 20th November 2015  
Abbaye de Neumünster, Luxembourg

**Join us in Luxembourg  
see [www.e-mfp.eu](http://www.e-mfp.eu)**



*"The level of participation is clearly a proof of its success"*

*"Wonderful opportunity to meet excellent new contacts"*

*"Fantastic programme mixing the theoretical and the practical"*

With online coverage of the proceedings by:  **MicroCapital**





**International Conference**



**Improving Financial Inclusion of Smallholder Farmers**

October 15<sup>th</sup> and 16<sup>th</sup>, 2015 - Milan, Italy

The event is associated to the *Giordano Dell'Amore Microfinance Best Practices International Award*

[www.fgda.org/conference2015](http://www.fgda.org/conference2015)



**5<sup>TH</sup> GLOBAL ISLAMIC MICROFINANCE FORUM**

November 24-25, 2015 - Kuala Lumpur, Malaysia



**POST EVENT WORKSHOP**  
Marketing Techniques & Operational Mechanism of Islamic Microfinance  
November 26-27, 2015

Islamic Microfinance - Reshaping the lives of Poor

info@alhudacibe.com  
www.alhudacibe.com

Organized by In Association with




**Upspring**  
Your Social Enterprise Experts



**UpSpring connects social entrepreneurs and investors to develop ideas & raise capital.**

Efforts have placed **\$100 million +** for positive development.

**Drew Tulchin**  
drew@upspringassociates.com • 202-256-2692



Since 2010



**Andares**

Mujeres para las Microfinanzas

Liderazgo  
Aprendizaje  
Intercambio  
Mentoría

Súmense a nuestra red de mujeres profesionales en microfinanzas de Latinoamérica y el Caribe

Grupos de Facebook: Grupo Andares - Mujeres para las Microfinanzas  
Blog: andaresmujeres.blogspot.com



Vision Microfinance is an appeal to combat poverty in a meaningful and sustainable way. So far 605 m USD have been distributed in the form of 563 promissory notes to 223 microfinance institutions in 40 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, who works in close partnership with microfinance specialist Symbiotics and the Bank in the diocese of Essen, a cooperative bank specialized in sustainable investments. This unique cooperation of fund manager, research team and ethical guide yields innovative microfinance solutions: Vision Microfinance.

[www.visionmicrofinance.com](http://www.visionmicrofinance.com)



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

## EAR TO THE GROUND

### A Nicaraguan Holiday

This week marks the start of my vacation in Nicaragua, where I hope to show my family what it is that keeps me coming back here. After a short drive from the airport, I asked my daughters for their first impressions, unfiltered. They had similar replies: One said, “People seem to try very hard, even if they are poor. I mean, some houses were barely houses. They were made of spare parts, but you can see that someone tried to make them into houses.” My other daughter said, “They work so hard. I saw people who didn’t have a lot who were selling things, sweating, working hard, but selling things. It makes me think that if one day I am poor, I can just do that. Start selling things to make some money.”

Out of the mouths of babes! What keeps me in microfinance today is what they saw just on a drive from the airport. This is what I look forward to them seeing in more depth in the coming weeks - hard work; perseverance; and, yes, entrepreneurship, a word that has become taboo in microfinance in recent years as the field has received scrutiny from the halls of the World Bank, the offices of digital payments providers and the houses of representatives in many countries. I have been involved in microfinance intermittently since 1991 - almost 25 years - and remember fondly the passion for the entrepreneur back then. I was trained to call a client an “entrepreneur” because this showed respect for her work, no matter how small-scale the activity. The language today focuses on which of these are “subsistence” businesses, seemingly demoting a large part of the population of self-employed workers to a desperate bunch, more comparable to the unemployed than to dynamic business owners. It also allows microfinance institutions to justify their loans that smooth cash flows rather than support businesses, leading many of them to look more like glorified payday lenders than development institutions.

Yet microenterprise is not only relevant, but critical to the economies of so many countries in which we work. It provides women with the ability to work and care for their children, where most employers don’t. It is a vehicle for personal growth, as microentrepreneurs have to learn to solve problems on the spot, negotiate with suppliers, make things cheaper, use shared resources and compete with their neighbors. It allows poor individuals to be resourceful with limited capital and provide solutions to their customers, whether these be tortillas that are closer to home or a quick fix to a motorcycle that lets a customer get to work. According to a 2014 paper by David N. Margolis, “By Choice and by Necessity: Entrepreneurship and Self-Employment in the Developing World,” which uses data from the UN’s International Labour Office, 42 percent of those employed in low- and middle-income countries are self-employed. This suggests a huge opportunity to help these hard workers strengthen their businesses or, if necessary, shift into more profitable sectors. As Steve Jobs said: “I’m convinced that about half of what separates the successful entrepreneurs from the non-successful ones is pure perseverance.” In his model, passion drives this perseverance. In many of the microenterprises we visit, it’s necessity, but this does not diminish the effort they are willing to make to ensure their businesses succeed. Microfinance can and should stay relevant in helping these businesses survive by providing capital as well as other critical forms of support to ensure that they are prepared to face the next wave of challenges in our global economy.

*About the Author: Ms Barbara Magnoni is President of EA Consultants, a development-consulting firm based in New York. She has over 20 years of international finance and development experience and has worked with organizations including Goldman Sachs, Chase and BBVA and has advised institutions such as the International Finance Corporation, the US Agency for International Development and the International Labour Organization. She may be reached at +1 212 734 6461 or [bmagnoni\[at\]eac-global.com](mailto:bmagnoni[at]eac-global.com), or you may follow her on Twitter at [BarbaraatEA](https://twitter.com/BarbaraatEA).*

# Creating LONG-TERM VALUE

« Financing activity grows by 30% »»

As of the end of June 2015, responsAbility investment vehicles had a portfolio of USD 2.2 billion of investments outstanding – benefiting commercially successful companies engaged in development-related activities in the finance, agriculture and energy sectors in particular. Our short- and long-term financing solutions enable our investee partners to grow and prosper – benefiting their employees, customers and suppliers in the process.

512  
companies financed

94  
countries of activity

USD 2.2  
billion invested

Contact us for your financing needs:  
[responsAbility.com](http://responsAbility.com)

**responsAbility**  
Investments for Prosperity

**2.5 billion** adults lack access to formal financial services.



**We invest in the solution.**



**Developing World Markets** is a leading investment management firm linking inclusive financial institutions in the developing world to the international capital markets.

- 10+ years of experience structuring and advising social impact investments
- Financed 150+ inclusive financial institutions in 40+ countries

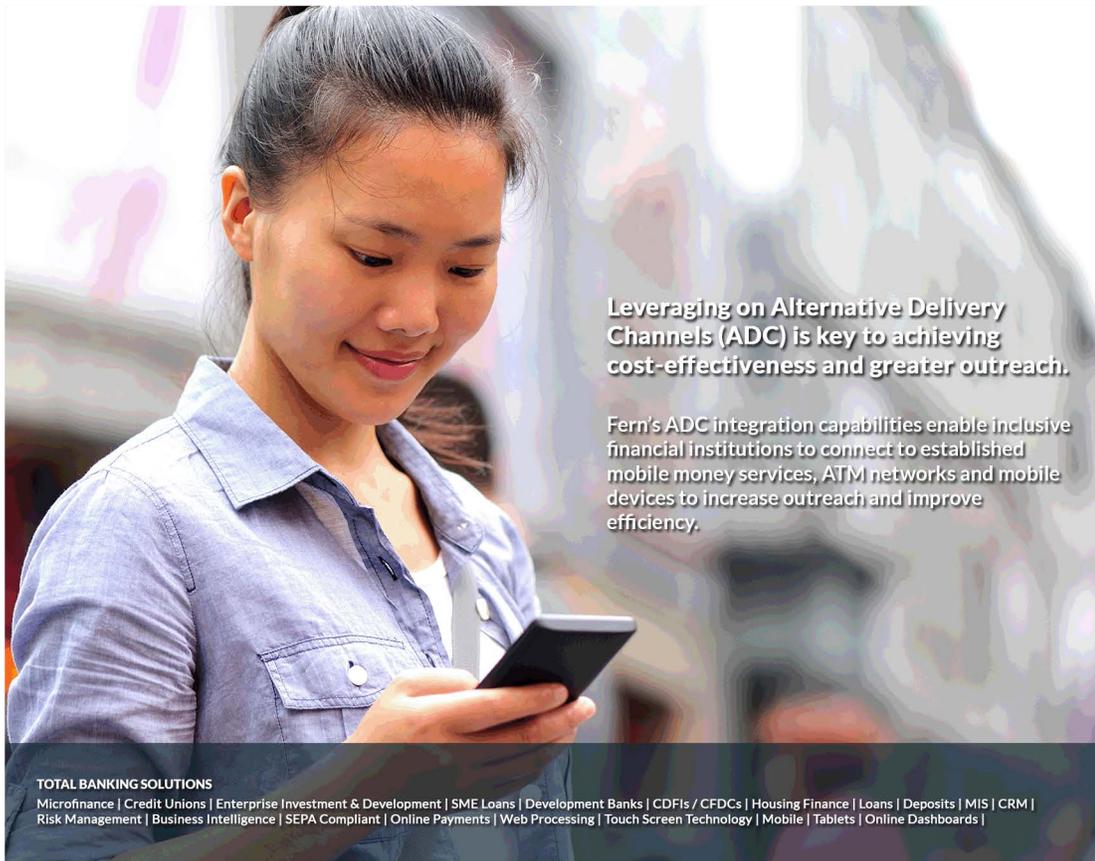
Developing World Markets offers tailor-made financial solutions to its clients to meet their capital needs, including:

**Senior & Subordinated Debt  
Convertibles • Equity  
Syndications • Bond Issues  
USD • EUR • Local Currencies**

**Investing for Impact.**

**DWM Asset Management LLC**

750 Washington Boulevard | Stamford, CT, 06901, USA | Tel: +1.203.655.5453 | info@dwmarkets.com | www.dwmarkets.com



**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.

**Fern SOFTWARE**

sustainability

product uptake

strategic direction

social impact

compliance

[www.fernsoftware.com](http://www.fernsoftware.com)

**TOTAL BANKING SOLUTIONS**

Microfinance | Credit Unions | Enterprise Investment & Development | SME Loans | Development Banks | CDFIs / CFDCs | Housing Finance | Loans | Deposits | MIS | CRM | Risk Management | Business Intelligence | SEPA Compliant | Online Payments | Web Processing | Touch Screen Technology | Mobile | Tablets | Online Dashboards |

**PAPER WRAP-UPS**

**Spotlight on International Funders' Commitments to Financial Inclusion**

*By Estelle Lahaye, Edlira Dashi, Eda Dolke and Matthew Soursourian; published by CGAP (Consultative Group to Assist the Poor); March 2015; 4 pages; available at <http://www.cgap.org/sites/default/files/Brief-Spotlight-on-International-Funders%27-Commitments-to-Financial-Inclusion-Mar-2015%20.pdf>*

This report indicates that funders committed a total of USD 31 billion to financial inclusion efforts during 2013, representing a 7-percent increase from 2011. Three quarters of this amount came from public entities.

By region, Eastern Europe and Central Asia (USD 6.2 billion) and South Asia (USD 3.7 billion) continue to receive the most funding. The largest number of financial inclusion projects for one region, however, was in Sub-Saharan Africa, where 788 programs were implemented, out of 3,128 worldwide. While most of these disbursements were direct investments, 1,387 were to enhance financial service providers' capacity, such as to... *(Continued in the subscriber edition)*

**SUBSCRIBE TO THE MICROCAPITAL MONITOR**

*The MicroCapital Monitor is available only by paid subscription. To support a representative voice for impact investors and investees, subscribe at [MicroCapital.org](http://MicroCapital.org) or by calling +1 617 648 0043. Subscriptions include 12 monthly issues and access to all back issues.*

**Bronze: USD 149 per year - Sent to one email address**  
**Silver: USD 299 per year - Emailed to three people at one organization**  
**Gold: USD 699 per year - Customized, organization-wide access**  
**Discount: USD 99 per year - Available only OUTSIDE rich countries**

**Global Islamic Microfinance Market 2014-2018**

*Published by TechNavio, October 2014, 70 pages, available for purchase at <http://www.technavio.com/report/global-islamic-microfinance-market-2014-2018>*

This report focuses on microfinance provided in a manner consistent with Islamic law, which does not allow conventional interest charges. The report divides the subsector into segments by product type, such as murabaha (cost of loan plus markup) and mudaraba (trustee financing). For the period 2013 through 2018, TechNavio forecasts a cumulative growth rate of... *(Continued in the subscriber edition)*

**Behavioural Economics and User Centred Design – Opening up New Vistas in Research Processes**

*By Akhand Tiwari, Premasis Mukherjee and Anup Singh; published by MicroSave; March 2015; 2 pages; available at [http://www.microsave.net/files/pdf/1426491671\\_BN\\_155\\_Behavioural\\_Research\\_Approach.pdf](http://www.microsave.net/files/pdf/1426491671_BN_155_Behavioural_Research_Approach.pdf)*

This note provides an overview of a qualitative research approach called Market Insights for Innovations and Design, which comprises elements such as self-reporting tools, observation tools and “expert” interviews. The authors describe its... *(Continued in the subscriber edition)*



**EA Consultants** is a consulting firm dedicated to supporting initiatives that facilitate access to finance, markets and social protection for low income segments of the world's population.

We combine research and practice to ensure that our work is informed by an analysis and understanding of markets and client needs. Our goal is to drive new ways of thinking and new practice that can be transformative to benefit all segments of society.

**EA Consultants** es una firma de consultores dedicada a brindar a apoyo a entidades que facilitan el acceso a las finanzas, mercados y protección social para los segmentos de menores ingresos en el mundo.

Combinamos la investigación y la práctica para que nuestro trabajo sea informado por un entendimiento tanto de las fuerzas de mercado como de las necesidades de los clientes. Nuestro objetivo es de liderar nuevas ideas y prácticas que pueden ser transformativas para beneficiar a todos los segmentos de la sociedad.



**Microfinance**



**Microinsurance**



**SME finance**



**Health & other non-financial services**

*Strategic planning*

*Increasing operational efficiencies*

*Identifying market gaps & opportunities*

*Credit and Financial risk*

*Data mining, segmentation & analysis*

*Client-centered research*

*Product development*

*Donor strategies*

*Gender inclusion*

*Program monitoring & evaluation*

Visit us on the web at [www.eac-global.com](http://www.eac-global.com)  
 Phone: +1-212-734-6461 email: [contactus@eac-global.com](mailto:contactus@eac-global.com)



**EAConsultants**  
 Access to Finance, Markets and Social Protection