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FMO, Triodos Loan \$35m to Khan Bank of Mongolia for SMEs

Please see the subscriber edition for coverage of this “Deal of the Month.”

Malaysia Arranges \$64m in Loans for Women, Chinese Traders

SME Bank, which is backed by the Malaysian government, recently launched the Women Entrepreneur Financing Program with a budget equivalent to USD 56 million to provide capital for female entrepreneurs in Malaysia. Additional details on the program are unavailable. Separately, Malaysian Prime Minister Datuk Seri Najib Abdul Razak announced the launch of a scheme to disburse USD 8.4 million in microloans via the government-funded foundation Yayasan Penjaja dan Peniaga Kecil Malaysia. Under this program, traders of Chinese descent can apply for loans of USD 1,400 to USD 4,200 with an annual interest rate of 4 percent and terms of three years. June 3, 2015

Kenya’s Jamii Bora Bank Upscaling to Target SMEs

Kenya’s Jamii Bora Bank recently announced that it has shifted its focus from microfinance to serving small and medium-sized enterprises (SMEs). As part of this change, it has introduced “Business Bora” current and savings accounts, which are targeted at SMEs. Jamii Bora reports assets of USD 81 million and deposits of USD 41 million. May 31, 2015

Zimbabwe’s Deposit Protection Corp Arranging MicroKing Sale

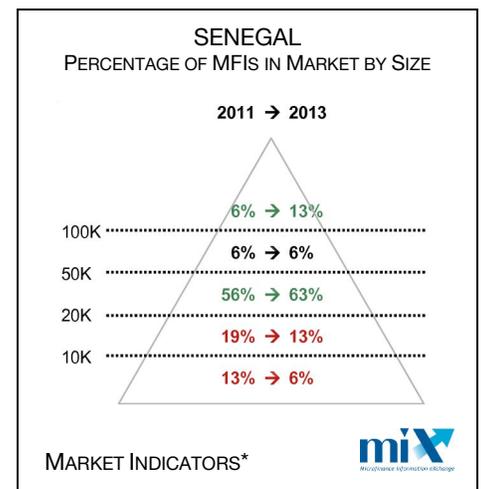
Zimbabwe’s Deposit Protection Corporation recently announced that it is seeking a buyer for MicroKing Finance Limited, a microfinance subsidiary of AfrAsia Zimbabwe Holdings, which is domiciled in Mauritius. AfrAsia’s license to operate in Zimbabwe was cancelled when MicroKing did not meet a recent regulatory deadline to raise USD 25 million in equity capital. Six firms reportedly have shown interest in MicroKing, which has been profitable. The UK government’s Department for International Development has invested USD 800,000 in MicroKing, which reports assets of USD 14 million, a gross loan portfolio of USD 11 million disbursed to 11,000 borrowers, return on equity of 46 percent and return on assets of 12 percent. Details on the organization’s deposit services are unavailable. May 22, 2015

AFESD Loans \$50m to Sudan for Rural Microfinance

The Arab Fund for Economic and Social Development, a 22-member multilateral institution, recently loaned USD 50 million to the Central Bank of Sudan, primarily for rural microlending. Approximately half of the loan has been disbursed to four microfinance institutions and 11 state institutions, none of which have been named publicly. May 22, 2015

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

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MICROCAPITAL BRIEFS

MicroCapital to Cover African Microfinance Week Onsite

We at MicroCapital are pleased to announce that we have been contracted to provide onsite reporting from African Microfinance Week (Semaine Africaine de la Microfinance), which will be held in Dakar, Senegal, from June 29 through July 3. We will publish multiple stories at <http://microcapital.org> and on Twitter @MicroCapital during the proceedings. For more details, you may refer to the special coverage on page 3 of this newspaper. June 15. 2015

Azerbaijan's Post Office to Offer Microloans

Azerbaijan's Communications and High Technologies Ministry recently announced that Azerpoçt, the country's government-backed postal service provider, plans to add microloans to its menu of financial services, which already includes debit cards, currency exchange, utility payments and money transfers. Communications Minister Ali Abbasov said that the expansion would be "focused at villages and [rural] regions for [the] development of small business." Azerpoçt, which has 1,600 branches, previously announced its intention to offer microcredit more than once, including as was reported in the December 2010 issue of this newspaper. June 11. 2015

Afghanistan Establishes Credit Bureau, Collateral Registry

Da Afghanistan Bank, the central bank of Afghanistan, recently established collateral and credit registries, which allow financial institutions to track information about clients, outstanding loans and assets pledged to back those loans. The effort was supported by funding from the World Bank's International Development Association; the World Bank Group's International Finance Corporation; and Harakat, a grant facility funded by the UK's Department for International Development. June 11. 2015

Incofin's Rural Impulse Fund Loans \$1.5m to Humo of Tajikistan

Incofin Investment Management (IM), a Belgium-based company that manages funds investing in microfinance institutions (MFIs), recently issued a loan of USD 1.5 million with a term of 12 months via the Rural Impulse Fund II to Humo and Partners, an MFI in Tajikistan. Humo reports a gross loan portfolio of USD 31 million and 31,000 clients. It received a license to accept deposits in 2013, but details on this service are not available. Humo operates a network of 68 service locations, primarily in western and southern Tajikistan. June 5. 2015

CEMLA to Seek Improvements in LAC Remittance Market

The Multilateral Investment Fund, a member of the US-based IDB (Inter-American Development Bank) Group, recently donated USD 1.2 million to the Centro de Estudios Monetarios Latinoamericanos, an association of Latin American and Caribbean central banks, for an effort to address legal and regulatory barriers to remittances such as "onerous requirements for opening accounts," restrictions on direct deposits of remittances to electronic wallets or bank accounts, and obstacles to distribution channels that may lower costs, such as agent networks and mobile technology. May 25. 2015

Parinaam of India Boosts Financial Literacy in Garo, Jaintia, Khasi

The Parinaam Foundation, which provides social services to women in India, has partnered with the World Bank Group and the government of the Indian state of Meghalaya to offer a financial literacy training program to individuals in three communities: Garo, Jaintia, and Khasi. The foundation has trained 24 "master trainers," who will seek to present the programs to 2,250 participants in 45 villages. May 25. 2015

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African Microfinance Week

Dakar, SENEGAL
29 June - 3 July 2015

SPECIAL REPORT

This interview is part of a sponsored series on the second annual Semaine Africaine de la Microfinance (SAM), which is held each year by ADA, an NGO located in Luxembourg, in partnership with several African organizations.

Semaine Africaine de la Microfinance

MicroCapital: The SAM agenda emphasizes improving services in rural areas; is there something in that realm that you would like to highlight?

Mohamed Attanda: Yes, we have noted for the past several years that rural areas have not been well served by traditional financial institutions, so there has been a need for microfinance institutions to focus on rural areas and family farms. How microfinance institutions can deal with this problem is a big question. The large size of African Microfinance Week gives us more opportunities to work together to innovate in rural finance in Africa.

MC: Several networks have collaborated to create SAM. What is the advantage in collocating their general assemblies in conjunction with a conference?

MA: The advantages for the Microfinance African Institutions Network (MAIN) in working with other networks, such as the African Microfinance Network, the African Microfinance Transparency Forum and

the African Rural and Agricultural Credit Association, stem from the members that we have in common. First, I would say that striving to speak with one voice is important; this raises awareness of our work. We also set the stage for networking among the members of the different associations. Lastly, combining overlapping activities reduces our members' travel costs.

MC: Please tell us a bit about MAIN.

MA: MAIN is an international nonprofit association that was founded in 1995. Its members are microfinance institutions, NGOs, cooperative farmer's organizations, banks and universities that together bring financial and non-financial services to 1.2 million beneficiaries in 23 countries. We focus on building the capacity of microfinance practitioners through two programs: a university program and short-term courses. The university program runs for two to three years, and the short-term courses run for one to six days. In 2014, MAIN developed a training-of-trainers (ToT) module to spread best practices on financial education and income-generating activities. In 2015, we developed another ToT module on credit and risk management.

In 2001, we began offering associate's degree programs through Uganda Martyrs University. We have also worked with Catholic University in Central Africa since 2006 and Togo's Catholic University of West Africa since 2012 to offer master's degrees in microfinance practice.

MC: What would you say to someone who is thinking about attending the African Microfinance Week for the first time?

MA: I encourage all industry players to participate in African Microfinance Week because it has become a powerful tool in the great orchestra of development and the fight against financial exclusion.

Mr Attanda is the CEO of the Microfinance African Institutions Network. 🇸🇳



African Microfinance Week

Dakar, SENEGAL, 29 June - 3 July 2015

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PAPER WRAP-UPS

A Multifaceted Program Causes Lasting Progress for the Very Poor: Evidence From Six Countries

By A Banerjee, E Duflo, N Goldberg, D Karlan, R Osei, W Pariente, J Shapiro, B Thuysbaert and C Udry; published by the American Association for the Advancement of Science; May 2015; 96 pages; available at <http://dspace.mit.edu/handle/1721.1/97047>

This study evaluates a program providing “ultra-poor” families with a range of tools: a productive asset, such as a cow; training; life skills coaching; temporary cash grants; access to savings accounts; and health services. The authors study the results of this intervention via randomized trials in Ethiopia, Ghana, Honduras, India, Pakistan and Peru, with a total of 10,495 participants.

The researchers found statistically significant improvements among the treatment group in all countries across eight of ten indicators: food and non-food purchases, food security, assets, financial inclusion, use of time, income, mental health, and women’s empowerment. The two indicators for which there were not statistically significant impacts were... (Continued in the subscriber edition)

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The Global Index Database 2014: Measuring Financial Inclusion Around the World

By Asli Demirguc-Kunt, Leora Klapper, Dorothe Singer and Peter Van Oudheusden; published by the World Bank; April 2015; 88 pages; available at <http://www.worldbank.org/en/programs/globalindex>

This dataset indicates that between 2011 and 2014, 700 million people became account-holders for the first time via financial institutions and mobile money service providers, reducing the number of unbanked individuals by 20 percent. In this period, the percentage of adults with an account increased from 51 percent to 62 percent, with a 13 percentage-point increase in the number of

account-holders in developing countries. The growth of account ownership was particularly strong in East Asia and the Pacific, South Asia, and Latin America and the Caribbean, each of which saw an increase of more than 10 percentage points. Account ownership increased the most in (1) the East Asia and Pacific region, by 25 percent; and (2) in Latin America and the Caribbean, by 40 million people. In Sub-Saharan Africa, mobile money accounts drove the growth in overall account penetration from 24 percent to 34 percent. The authors note that while 185 million adults acquired new accounts in South Asia, there is an 18... (Continued in the subscriber edition)



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