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ADB Places \$1.5m in Equity in India's M-CRIL to Boost Ratings in Asia

Please refer the subscriber edition for coverage of this "MicroCapital Deal of the Month."

Quona Raises \$141m for Accion Frontier Inclusion Fund

Quona Capital Management, a US-based firm specializing in financial inclusion, recently raised USD 141 million for the Accion Frontier Inclusion Fund (AFIF) from investors including the French AXA Impact Fund and US-based financial services firms JP Morgan Chase, MasterCard, Prudential Financial and MetLife. AFIF will direct the new liquidity to the technology, logistics and financial services sectors with the aim of boosting employment and financial access for people with low incomes. Quona manages AFIF, and both are affiliated with the US-based nonprofit Accion, which reports - along with its partner microfinance institutions - an aggregate loan portfolio of USD 7.9 billion outstanding to 6 million borrowers. March 22. 2017

TriLinc Lending \$37m to SMEs in Africa, Asia, Latin America

The US-based TriLinc Global Impact Fund recently approved the disbursement of USD 36.8 million to fund term loans and trade finance for small and medium-sized enterprises (SMEs). The term loans, which carry interest rates ranging from 7.5 percent to 13 percent, will be issued to 10 companies for purchasing farming equipment and improving manufacturing facilities in Ecuador, Morocco, Namibia and South Africa. The trade finance facilities will support international transactions involving SMEs in Mauritius and South Africa. TriLinc has USD 244 million committed to African, Latin American and Southeast Asian SMEs that it deems to "contribute positively" to socio-economic development and can offer "investors the potential for market-rate financial returns." March 16. 2017

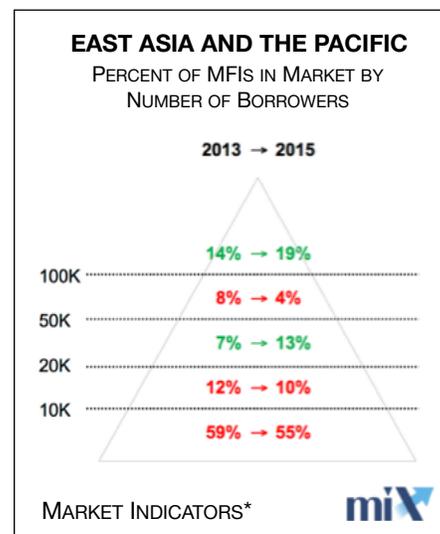
Palestine Monetary Authority Puts Credit Reports Online

The Palestine Monetary Authority (PMA), with assistance from Ramallah-based Al-Andalus Software Development, recently released a system that allows financial institutions to access individuals' credit histories electronically. Previously, credit report requests had to be filed in person at PMA offices in the cities of Ramallah or Gaza. At the same time, PMA released a new consensual settlement system as well as upgraded systems for checks that have bounced or been canceled via stop-payment orders. March 9. 2017

Ecobank Offering Mobile App in 33 African Countries

Ecobank Tanzania, a unit of Togo-based Ecobank Group, recently announced its launch of the Ecobank Mobile App, which allows customers to use mobile devices to perform fund transfers, top-up airtime, pay bills, check forex rates, view account statements, make retail payments, and interface with payment cards and checks. Ecobank Group CEO Ade Ayeyemi said the app is "the first unified application of its type delivered by any institution to be used concurrently in 33 African countries." Ecobank Group, which provides microfinance and traditional financial services, reports total assets of USD 23 billion, return on equity of 13 percent and 11 million customers. March 8. 2017 

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MICROCAPITAL BRIEFS

64% in Morocco Covered by Client Protection Campaign

Italy's MicroFinanza Rating recently certified two Moroccan micro-finance institutions (MFIs), al Amana and Attawfiq Micro-Finance, as operating within the Smart Campaign's Client Protection Principles. With a third institution, Tamwil El Fellah, having received certification in 2016, 64 percent of the customers of Moroccan MFIs are now served under the campaign, which is a program of the Center for Financial Inclusion at US-based NGO Accion. The principles address "responsible" pricing, privacy concerns, preventing over-indebtedness and other issues. Al Amana has a gross loan portfolio of USD 251 million. Of its 335,000 active loans, 43 percent are issued to women. Attawfiq has a gross loan portfolio of USD 230 million and 270,000 active borrowers served via 440 branches. March 29, 2017

Scott Brown Stepping Down as CEO of VisionFund

VisionFund International, a nonprofit with microfinance operations in approximately 30 countries, recently informed MicroCapital that its President and CEO Scott Brown will be leaving the organization at the end of March. The identity of his successor or successors has not yet been announced. Reflecting on his 10 years with VisionFund, Mr Brown said, "VisionFund is recognised for its social performance. This, combined with solid risk management, attracts social investors who want to impact people living below the poverty line, but also want to have safe investments on their balance sheet." During 2016, VisionFund loaned USD 729 million to approximately 1.2 million people, about 75 percent of whom are women. It is a unit of US-based NGO World Vision, which reports serving 99 countries and 2015 revenues of USD 2.7 billion. March 19, 2017

ASA Philippines to Issue \$40m in Bonds to Expand Loan Portfolio

ASA Philippines, a microfinance NGO, recently announced it will issue the local currency equivalent of USD 40 million in bonds to fund new and existing projects through 2021. One of these is lending to women entrepreneurs in amounts from USD 120 to USD 200 with a flat interest rate of 15 percent for six months. ASA staff members visit these borrowers weekly to collect payments in the amount of USD 1 per USD 20 borrowed. Established in 2004, ASA has total assets and properties of USD 210 million, a loan portfolio of USD 180 million, 1.3 million active borrowers and 900 branches as of 2017. As of 2015, it reported total deposits of USD 66 million. ASA also provides insurance, scholarships and business development training. March 15, 2017

IFAD, DiD Renew PEA-Youth Partnership in Cameroon

Développement international Desjardins (DiD), an arm of Canada's cooperative Desjardins Group, recently received additional funding from the UN's International Fund for Agricultural Development (IFAD) to extend its technical assistance to the Youth Agropastoral Entrepreneurship Promotion Program (PEA-Youth) in Cameroon through 2018. PEA-Youth works with rural entrepreneurs aged 18 to 35, seeking to support the "development of viable agropastoral businesses; access to financial services; and improvements to the organizational, policy, institutional and legal framework." IFAD is planning to lend a total of USD 22.5 million through the project from 2014 through 2020, with an additional USD 23 million to be raised from other partners, which have yet to be identified. DiD provides technical support and investment for the community finance sector. The Desjardins Group, which offers banking, insurance, securities and investment services, reports USD 185 billion in assets. March 8, 2017

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



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 May 1-3, 2017
 June 26-30, 2017
 July 11-14, 2017
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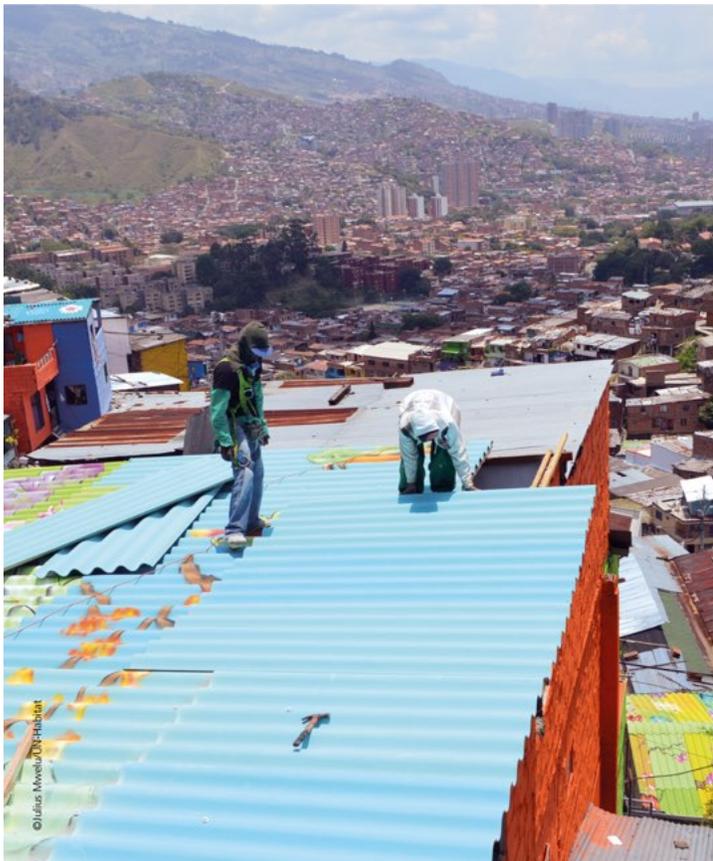
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Botswana | Ghana 2016-2017

JUMO **Letshego** **afb**

GHS 92 M (USD 23 M)
Sole Financial Advisor

Sale of 100% of afb Ghana to Letshego Group Holdings

Namibia 2016

TRUSTCO *oshili nowa*

ZAR 450 M
Sole Advisor and Arranger

Debt Capital Raise

Ghana 2016

FIRST ALLIED

GHS 60 M (USD 15 M)
Sole Advisor and Arranger

Debt Capital Raise

UK | Zambia 2016

PAN AFRICAN BUILDING SOCIETY

USD 3 M
Sole Advisor and Arranger

Debt Capital Raise

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EAR TO THE GROUND

Cutting Costs with Tech: What the... Touch?!

Earlier this month, I had the honor of participating in UNCDF's MicroLead workshop, where financial service providers from all over Africa (and a few from Myanmar) met to share their experiences in promoting small-balance savings. Savings is one of the tougher challenges for most financial institutions, particularly in the poorest countries. Margins are small or negative, so operations need to be lean. The solution is to have a good business model that combines demand-side incentives for people to use and grow their accounts via low-cost channels along with strategies to reduce the burden of these accounts on the organization.

Many financial service providers have been focusing more on reducing costs than incentivizing customers. On the surface, this seems easier than convincing low-income households to save in a bank account. But it is not always so. Linkages with mobile providers are hard for smaller institutions because they have little bargaining power. Developing agent networks is operationally complex and can be costly. At the MicroLead workshop, a representative from Opportunity International noted that its efforts in one country to shift to "low-touch" customer engagement has not yet allowed it to reduce reliance on brick-and-mortar channels, leaving the organization with the higher cost of maintaining two parallel systems.

"Low-cost" is often synonymous with "low-touch." But low-touch is not a great way to build customer engagement. Shifting from face-to-face branch visits to SMS contact and branchless or mobile transactions can help address the cost side, but as "touch" is lost, so might be opportunities to promote consistent savings. At the workshop, I was inspired

by the efforts of Caisse d'Epargne et de Credit (CEC) of Cameroon. Eric Kenkola, CEC's impressive Information and Communications Director, and his team have built an app-based mobile POS system for CEC's roaming agents. It boasts the capacity to provide paper receipts for clients from a small printer that agents wear on a belt clip. It cost CEC only USD 16,000 to develop, and the equipment costs one third of the price of traditional POS devices. "We are small and just couldn't afford the existing solutions that we looked into," Eric modestly explained; "so we built our own." CEC's next challenge is making sure roaming agents engage with customers and encourage savings.

Just like Opportunity International, my local CVS drug store tried to reduce "touch" with customers a few years ago by switching out its cashiers for checkout kiosks. For months, our elderly neighbors (and sometimes I) would call an employee over to help with the kiosk, requiring the employee to do virtually the same tasks that he or she would have done at a cash register. Since then, a more orderly and cost-effective segmentation of touch has been established. Elderly (and chatty) customers can use the one remaining cash register, but the rest of us are stuck listening to a robot repeatedly accuse us of stealing items even as we are trying to scan and pay for them. I am not sure that financial institutions focused only on cutting costs will find this kind of low-touch model to be as profitable. CVS's cranky robot has added convenience, but reduced my loyalty.

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@jeac-global.com, or you may follow her on Twitter at [BarbaraatEA](https://twitter.com/BarbaraatEA).

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countries of activity

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The diagram on the right shows a central node 'strategic direction' connected to 'sustainability', 'product uptake', 'social impact', and 'compliance'.

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PAPER WRAP-UPS

Digital Finance Interoperability & Financial Inclusion: A 20-Country Scan

By Pablo Garcia Arabeheby, Gregory Chen, William Cook and Claudia McKay; published by CGAP (Consultative Group to Assist the Poor); December 2016; 16 pages, available at <http://www.cgap.org/sites/default/files/interoperability.pdf>

Using data from 20 countries in Africa, the Americas, Asia and the Middle East, the authors of this study review the status of interoperability, which allows a user of “a digital financial service account to make specific kinds of transactions across two or more providers.”

The authors find that interoperability is generally available in the assessed markets, but progress remains slow. Out of the 20 countries considered: (1) six pursued a centrally planned approach to interoperability; (2) four had non-bank payment providers making joint efforts to achieve... (Continued in the subscriber edition)

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The Africa and Middle East Alternative Finance Benchmarking Report

By the Cambridge Centre for Alternative Finance and Energy4Impact, February 2017, 64 pages, available at <https://www.scribd.com/document/338995486/CCAF-Africa-and-Middle-East-Alternative-Finance-Report-2017/>

The authors of this study estimate that USD 475 million was made available in Africa and the Middle East via equity crowdfunding, online microfinancing and peer-to-peer... (Continued in the subscriber edition)

Report on State of Financial Inclusion in Kerala

By Dr Tara Nair; published by the Microfinance Information Exchange (MIX), September 2016, 32 pages, available at https://www.themix.org/sites/default/files/publications/report_on_state_of_financial_inclusion_in_kerala.pdf

While government data indicate that the Indian state of Kerala has achieved “comprehensive financial inclusion,” Dr Nair concludes that banking services in Kerala... (Continued in the subscriber edition) 



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