IFC Lends $7m to Opportunity Bank Serbia for Rural MSEs
Request a sample of the subscriber edition to read about this MicroCapital Deal of the Month.

Visa Foundation Launches, Granting $20m to Women’s World Banking
US-based payments firm Visa recently announced that the first grant from its newly initiated Visa Foundation will benefit Women’s World Banking, a US-based NGO that works through a network of 49 financial institutions in 31 countries to help low-income people access credit, savings and insurance products. The grant of USD 20 million is intended to help underserved women improve their leadership and financial capabilities as well as create financial safety nets for their businesses. The goal of the Visa Foundation is to assist small and medium-sized enterprises in financially underserved areas. While the size of the foundation’s budget has not yet been released, Visa has total assets valued at USD 68 billion. November 15, 2017

Milliman Acquires MicroInsurance Centre
Milliman Incorporated, a US-based consulting and actuarial firm with offices in 20 countries, recently acquired the MicroInsurance Centre, a US-based consultancy that provides “product development, research, and advocacy” services relating to insurance for poor people. The MicroInsurance Centre was established in 2000 by MicroSave, an India-based technical assistance and training provider serving the microfinance industry. The terms of the deal have not been released. November 12, 2017

Uzbekistan’s NBU Borrowing $70m from EBRD for MSMEs
The National Bank for Foreign Economic Activity of Uzbekistan (NBU) recently opened credit lines totaling USD 100 million with the European Bank for Reconstruction and Development, a UK-based development finance institution. USD 70 million of the total is earmarked to on-lend to micro-, small and medium-sized enterprises, with the remainder allocated to trade finance and enhancing NBU’s correspondent banking services. Established by the government of Uzbekistan in 1991, the bank has 93 branches and total assets equivalent to USD 2.5 billion. November 8, 2017

Bank of Ghana Warns Public About Illegal MFIs
The Bank of Ghana recently accused multiple microfinance institutions of operating illegally, including Agro Development Fund Services Limited, Hebron Financial Services, MMM, Money-doubler and Oboanipa Ventures Limited. The government is in the process of implementing a Depositors Insurance Act after having agreed to reimburse 70,000 people who were defrauded by DKM Microfinance Company. November 7, 2017

To access additional top stories, please email info[at]microcapital.org to request a sample of the subscriber edition of this newspaper.
MICROCAPITAL BRIEFS

Alternative Credit Scorers EFL, Lenddo Merge
Two organizations that facilitate lending to people and small businesses with limited credit histories, US-based Entrepreneurial Finance Lab (EFL) and Singapore-based Lenddo, recently merged. Lenddo CEO Richard Eldridge said, “We’re excited to advance our mission of financial inclusion on a global scale…” EFL’s algorithms are based on psychometric testing, whereas Lenddo’s are based on data such as mobile phone and social media usage. Regarding privacy, a press release indicates potential borrowers “will be empowered to choose if and when to use their own digital data.” Prior to the merger, the organizations had completed a total of 5 million credit evaluations facilitating loans of USD 2 billion in lending by 50 banks, microfinance institutions, insurers, retailers and telephone companies. November 17, 2017

Camilla Nestor Named CEO of MIX
Camilla Nestor, who recently worked for the US-based Grameen Foundation, has been named CEO of the US-based nonprofit MIX, which seeks to increase financial inclusion by promoting transparency. The Chief Operating Officer of MIX, Blaine Stephens, said “Camilla’s extensive knowledge of these sectors augments MIX’s efforts to address information gaps constraining the development of emerging segments including smallholder agricultural finance and digital financial services.” MIX provides data and analysis on financial service providers, funders and other organizations involved in serving the financial needs of low-income clients through avenues including the MIX Market website, which offers financial and social performance data on approximately 2,000 organizations. MIX had a 2016 budget of USD 2.5 million. November 14, 2017

Nicaraguan MFI Borrows from C-Quadrat
Austria’s C-Quadrat Asset Management recently informed MicroCapital that a Nicaraguan microfinance institution (MFI) was among the beneficiaries of the equivalent of USD 12 million that its Dual Return Vision Microfinance funds lent during October. The other borrowers are located elsewhere in Central and South America as well as Bosnia and Herzegovina and India. The identities of the MFIs and the amounts borrowed by each remain confidential. C-Quadrat describes the approach of the Nicaraguan MFI, which has been lending since the early 1990s, as “focusing on the bottom of the pyramid in rural areas” and “conservative” with “very high portfolio quality.” The MFI is monitored by local authorities to verify client protection practices, and it also supports solar energy and reforestation efforts. November 14, 2017

11 Afghan Women Offered MFI Jobs After Apprenticeships
A group of 75 women recently completed nine-month microfinance apprenticeships in the Afghan provinces of Balkh, Herat and Kabul. Eleven of these have been offered paid positions within the microfinance institutions at which they trained, Afghan Rural Finance Company, the First Microfinance Bank of Afghanistan, the Foundation for International Community Assistance (FINCA) Afghanistan and Oxus Afghanistan. The program involves training participants alongside recent hired staff. Three additional institutions, Mutahid, Exchangerzone and Hand in Hand, have agreed to host apprentices in future iterations. The program was funded by the US Agency for International Development and implemented by the 11-member Afghanistan Microfinance Association. November 11, 2017

(To access additional briefs, please email info[at]microcapital.org to request a sample of the subscriber edition of this newspaper.)
<table>
<thead>
<tr>
<th>Country</th>
<th>Year</th>
<th>Transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Botswana</td>
<td>2016-2017</td>
<td>Sale of 100% of afb Ghana to Letsego Group Holdings</td>
</tr>
<tr>
<td>Namibia</td>
<td>2016</td>
<td>Debt Capital Raise</td>
</tr>
<tr>
<td>Ghana</td>
<td>2016</td>
<td>Debt Capital Raise</td>
</tr>
<tr>
<td>Lux</td>
<td>2014-2015</td>
<td>Debt Capital Raise</td>
</tr>
</tbody>
</table>

Pan-African | Capital Raising | Mergers & Acquisitions | Financial Institutions | Corporate Finance
Johannesburg | Ebene | Accra | Kinshasa | www.verdant-cap.com

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/funding

This is a free, abbreviated preview of a report available by paid subscription at MicroCapital.org
EAR TO THE GROUND

Can Bridging Information Gaps Keep Smaller Social Enterprises from Being Left Behind?

As I watched the SOCAP conference via live stream last month (rather than trekking out to California), I found a few moments for peaceful reflection. In the 10 years since SOCAP's launch, we have absorbed “doing good” into many parts of our investing consciousness. A decade ago, the typical size of a social impact fund was USD 20 million to USD 100 million. Today, we are seeing funds with billions of dollars that focus on impact assets that can be benchmarked and measured. These funds have been concentrating in subsectors such as affordable housing, renewable energy and agriculture that can handle individual investments on the order of USD 50 million. However, what if these funds are taking too much investor attention away from firms that are doing good in other subsectors? Many social businesses in health and education, for example, may seem too costly to invest in, because they can’t absorb USD 50 million at a time. Similarly, impact industries in most countries can’t command investors’ attention as easily as those in larger, high-growth countries like India, China and even sluggish Brazil.

To tackle these issues, consider that many microfinance institutions (MFIs) are attracting relatively small doses of funds when investors can keep costs, such as due diligence, under control. In the late 1990s, when I first met Deutsche Bank’s microfinance investment team, I was surprised to learn that they didn’t have enough money to visit the MFIs to which they were lending. They relied on networks such as Acción and Women’s World Banking for data as well betting on the reputations of some larger MFIs. By the early 2000s, they also were using the MIX Market information platform, which offers investors a way to quickly benchmark and assess the performance of financial services providers. In the early days, smaller MFIs found it burdensome to report to MIX, but the work has since paid off in visibility and subsequent access to investor funds. By allowing investors to prescreen companies easily, MIX bridges a major information gap, reducing the cost of due diligence. The viability of the microfinance investment space depended on it back then, and to some extent, it still does. Today, MIX serves 27 social investors, totaling about one third of the global microfinance funding market.

Today’s wider impact investing market also needs benchmarks and financial data sets. If we can’t reduce the cost of making smaller investments, I worry that many social enterprises that offer good value propositions will lose out, especially if they are more than a few hours by plane from London, New York or San Francisco. The cost of due diligence works to the disadvantage of social businesses in small countries as well as those in subsectors such as health and education, which are regulated differently in each country and require complex partnerships and tight execution. These factors can inhibit fast growth, international expansion and reaching massive scale. The time it would take for an investor to pick a “winner” simply may not be justified by the potential return.

Indeed, MIX already has planted some seeds to counter this problem. It is expanding its data set beyond microfinance to smallholder agricultural finance (with One Acre Fund) and mobile finance (with GSMA). In time, I hope MIX or another organization will start aggregating data on trickier spaces such as health and education to ensure that these sectors don’t get left off the impact-investing agenda.

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.
Creating LONG-TERM VALUE

Growth needs financing

As the end of December 2016, responsAbility investment vehicles had a portfolio of USD 2.5 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.

546 companies financed
97 countries of activity
USD 2.6 billion invested

Contact us for your financing needs:
responsAbility.com

Business Planning with MICROFIN 4.15

December 11-15, 2017
February 2018
March 12-16, 2018
April 30-May 4, 2018
May 7-9, 2018

WEB: 04:00 & 14:00 UTC
West Africa-FRENCH
Nairobi, Kenya
Washington DC
Washington DC-ADVANCED

microfin.mfiresources.org

Liderazgo
Aprendizaje
Intercambio
Mentoria

The data and insights that power the financial inclusion industry.

Learn more at themix.org

Andares
Mujeres para las Microfinanzas

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

Grupo Andares - Mujeres para las Microfinanzas
andaresmujeres.blogspot.com

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

Digital Wallet Adoption for the Oral Segment in India: Concept Development for MoWo (Mobile Wallet for Oral)


A group of 310 participants from various communities were subjected to “signing, reading and numeracy” tests. Thereafter, 138 people with low literacy levels participated in focus groups on the user interface of the MoWo mobile wallet. Finally, 29 participants performed usability testing.

The study found that those scoring lowest on the literacy tests were able to: (1) read numbers with one or two digits; (2) manipulate 4-digit sums (with the aid of colors, shapes and images); and (3) perform… (To access more of these wrap-ups, please email info[at]microcapital.org to request a sample of the subscriber edition of this newspaper.)

The Long Road to Branchless Banking


The authors note that financial institutions may find their staff members hesitant to support banking agents for fear of losing their own jobs. However, robust “incentive structures” can… (To access more of these wrap-ups, please email info[at]microcapital.org to request a sample of the subscriber edition of this newspaper.)

Reference Framework: Gender Equality


The authors suggest financial services providers (FSPs) implement gender-specific policies based on an understanding of the local “social, cultural and economic context.” Implementation should include ensuring women have… (To access more of these 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 922 m USD have been distributed in the form of 753 promissory notes to 288 microfinance institutions in 53 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 report available by paid subscription at MicroCapital.org