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#### **Grameen Koota of India Raises \$10m in Equity, \$4m in Debt**

Please see page 2 for coverage of this "MicroCapital Deal of the Month."

#### **ADB, Standard Chartered Commit \$150m to Microfinance in Asia**

The Asian Development Bank (ADB), a multilateral finance institution based in the Philippines, reportedly has partnered with Standard Chartered Bank, a UK-based financial services company, to lend USD 150 million via 30 microfinance institutions in Asia by 2018. ADB has 48 member countries in Asia and 19 in other parts of the world. Standard Chartered reports total assets of USD 637 billion. March 13, 2013

#### **Nigeria Gives MFIs Another Year to Meet New Capital Levels**

The Central Bank of Nigeria has agreed to extend until December 2013 the deadline for smaller microbanks to recapitalize to avoid having to close branches to comply with revised regulations that limit the number and locations of branches allowed based on each microbank's level of capital. It was reported that many had failed to meet the original December 2012 deadline. March 12, 2013

#### **Itau Unibanco of Brazil to Lend \$167m to Urban Microentrepreneurs, Monitor Impact**

Brazilian bank Itau Unibanco reportedly plans to release USD 167 million in loans for microentrepreneurs in urban Brazil. Itau recently joined the Business Call to Action (BCtA), an initiative that seeks to engage the private sector in meeting the UN Millennium Development Goals. Sahba Sobhani, BCtA Acting Programme Manager at Itau, was quoted as having said, "As part of its commitment to the BCtA, Itau Unibanco will develop a new evaluation tool to measure the impact of microcredit loans on clients' lives, including changes in income, increased financial literacy, and enrollment in additional banking products such as insurance and debit and savings accounts." With operations in 20 countries, Itau reports total assets equivalent to USD 514 billion. March 11, 2013

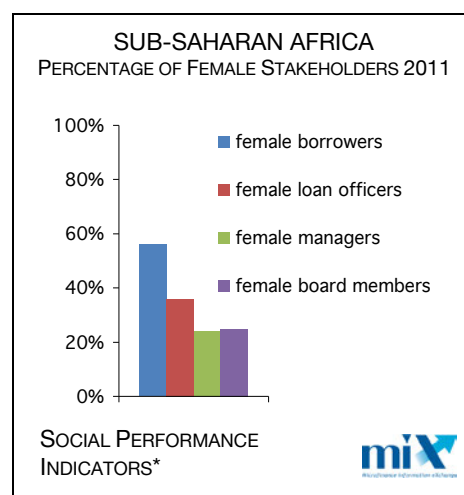
#### **Kaah Express, ARC, Silatech to Offer Microfinance in Somalia**

Qatar-based Silatech, a social enterprise that seeks to promote youth entrepreneurship and employment in Arab countries, and the American Refugee Committee, a US-based nonprofit that provides humanitarian assistance in Haiti, Asia and Africa, are partnering with Kaah Express, a US-based money transfer company, to introduce microloans, voluntary savings accounts and business development services via Kaah's network of service agents in Somalia. Details on the services to be offered have not been disclosed. To support its work, Kaah has secured an undisclosed amount of grant funding from the African Enterprise Challenge Fund, a Kenya-based promoter of for-profit enterprises in Africa. Kaah also has operations in Djibouti, Ethiopia and Kenya. February 26, 2013

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

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## MICROCAPITAL BRIEFS

### ResponsAbility Loans \$5m to Bai Tushum of Kyrgyzstan

Switzerland's ResponsAbility Social Investments has informed MicroCapital that in February it loaned USD 5 million to Bai Tushum and Partners, a commercial microbank in Kyrgyzstan, bringing its exposure to Bai Tushum to USD 11 million. ResponsAbility is also a shareholder in the microbank and is represented on its board of directors. Bai Tushum reports 26,000 clients, a loan portfolio of USD 60 million and deposits of USD 109,000. March 15. 2013

### Ugandan Banks, Uptime Roll Out Banking Vans to Rural Areas

Several financial institutions in Uganda including Centenary Bank, a commercial bank specializing in rural finance; Opportunity Uganda, a subsidiary of US-based nonprofit Opportunity International; and PostBank Uganda, a government-owned lender, reportedly have partnered with Uptime Solutions Limited, a Ugandan for-profit technology provider, to deploy mobile banking vans, mainly in rural trading centers. March 11. 2013

### OPIC, USAID Commit \$23m to DIG for Housing Finance in Haiti

The Overseas Private Investment Corporation, a development finance institution of the US government, reportedly has agreed to loan USD 17 million to the US-based for-profit Development Innovations Group (DIG) to establish a housing finance facility in Haiti. The US Agency for International Development will also donate USD 6 million to the effort. The effort involves partnering with unspecified local financial institutions to offer low-income borrowers housing microloans starting at USD 1,000, micromortgages starting at USD 5,000, and business repair and construction loans starting at USD 3,000. DIG has experience in 40 countries. March 7. 2013

## MicroCapital Deal of the Month

### Grameen Koota of India Raises \$14m in Equity, Debt

Indian non-banking financial company Grameen Financial Services Private Limited, which is also known as Grameen Koota, recently raised the equivalent of USD 9.8 million in third-round equity from Belgium's Incofin Investment Management, Italian private equity firm MicroVentures, Indian-Dutch joint venture Aavishkaar Goodwell and US-based for-profit company Creation Investments. While Creation committed USD 6.9 million of the sum, the breakdown of the other investments and the sizes of the stakes to be taken by each investor have not been released. Previous rounds of equity funding raised by Grameen Koota totaled USD 5.9 million in December 2009 and USD 3.6 million in April 2008. The institution also recently received USD 4 million in debt funding in the form of unsecured, redeemable, nonconvertible debentures from Global Commercial Microfinance Consortium II, a fund managed by Germany's Deutsche Bank. Grameen Koota reports total assets of USD 66 million, return on assets of -1 percent and return on equity of -6 percent.

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## FIELD NOTES

### Paving Paths for Girls' Achievement: Financial Services for Young Women

For International Women's Day last week, I sat down with my two daughters at the kitchen table to test two hypotheses on them. First, was their princess obsession when they were three and four years old driven by a dream to attain political and economic power in a male-centered world where such power is difficult for women to achieve through traditional work? According to my 10- and 13-year-old daughters, *No!* Instead, they explained that at around three or four years of age, boys are not much different than girls. Boys' dreams of being astronauts are not about studying science but about flying in space: about *magic*. A girl who wants to be a princess is also in it for the *magic*. According to my older daughter, *marketers* just set up different paths for boys and girls to attain this same magical power.

My next hypothesis was that in developed countries, like the US, the dreams of boys and girls become much more similar as they approach their teenage years. I was less wrong, but still wrong. My girls' sense of possibility was remarkably linked to their ability to identify other women who had paved a path before them. *Role models* took the place of Disney marketers. I asked whether today they believe they can become astronauts. *Yes, they recall the legend of Sally Ride*. Can they dream of being a teacher? *Yes, most of their teachers are women*. Bankers? *Sure, Mom once worked on Wall Street*. Technology? We hit a wall. *It is "so cool,"* but they couldn't think of women who have "succeeded" in technology. No woman has paved the path for my girls to aspire to be the next Bill Gates or Mark Zuckerberg. Dreams are a first step toward achievement, but that step may not be taken if a girl lacks a sense of possibility.

This is where I believe that financial access can play a role. There is some evidence that *saving* for a dream might help with achieving that dream. This is powerful, as it suggests that savings could help spur

education, entrepreneurship and skill building to fill the gaps in income and assets between men and women worldwide. One of my favorite studies of late comes from William Elliott of the University of Kansas; it shows that a child with school savings of up to USD 0.99 is approximately three times more likely to enroll in college than a child with no savings. Surely a dollar won't get a child far, but the implication is that the *expectation* alone can have a large impact. Other US studies show that people who own assets - often savings - are more likely to have a positive outlook and higher expectations for their futures and the futures of their children. Another study finds that children with mothers who had high expectations of them were more likely to have higher grades and graduate from high school.

Unfortunately, formal savings mechanisms are not always available, especially low-balance accounts that would be appropriate for many girls and young women. In Colombia, Nicaragua and Tanzania, only 30 percent, 14 percent and 17 percent of the populations over the age of 15, respectively, have bank accounts.

My daughters' comments offer important insight about another barrier. Despite living in the US, where there is relative gender equality, they still look to other women to pave their paths. Establishing precedents and models for women's success in all industries is critical here and may be more so in developing countries, where fewer models may exist. Savings are a tool for fueling dreams, but they cannot define these dreams. Marketers learned to turn toddlers into princesses; now it's time for us to commit to paving the path for them to live out their own dreams.

*About the Author: Ms Barbara Magnoni is President of EA Consultants, a development consulting firm based in New York. She has 15 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@eac-global.com](mailto:bmagnoni@eac-global.com), or you may follow her on Twitter at [BarbaraatEA](#).*



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## PAPER WRAP-UPS

### How Can Microfinance Programs Help the Struggle Against Social Problems Such as Begging, Child Labor, Prostitution, Violence Against Women, Criminality, Gangs, and Drug Addiction?

By William O. Maddocks, commissioned by the Global Microcredit Summit, 2011, 31 pages, available at: [http://www.globalmicrocreditsummit2011.org/userfiles/file/Workshop%20Papers/W\\_%20Maddocks%20-%20How%20Can%20Microfinance%20Programs%20Help%20the%20Struggle%20Against%20Social%20Problems%20Such.pdf](http://www.globalmicrocreditsummit2011.org/userfiles/file/Workshop%20Papers/W_%20Maddocks%20-%20How%20Can%20Microfinance%20Programs%20Help%20the%20Struggle%20Against%20Social%20Problems%20Such.pdf)

This paper presents an analysis of the role of microfinance institutions in helping to solve “seemingly intractable social problems” including begging, domestic violence, HIV/AIDS and discrimination against the disabled, all while maintaining financial sustainability. Mr Maddocks presents examples in which these issues have been ameliorated through a blend of financial services and social programming using “group-based methodologies.” The paper focuses on how group-based microfinance programs are able to “build pathways to healthier, more...”  
(Continued in the subscriber edition)

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### 2012 Eastern Europe and Central Asia Regional Snapshot

By Ralitsa Sapundzhieva and Agharazi Babayev, published by Microfinance Information Exchange, January 2013, 27 pages, available at: <http://www.themix.org/publications/mix-microfinance-world/2013/01/2012-eastern-europe-and-central-asia-regional-snapshot>

The authors begin with a comparison of microfinance in Eastern Europe and Central Asia (ECA) with other regions of the globe based on data from the MIX Market website of the US-based NGO Microfinance Information Exchange (MIX). ECA accounts for... (Continued in the subscriber edition)

### Microfinance in Myanmar Sector Assessment

By Eric Duflos, Paul Luchtenburg, Li Ren and Li Yan Chen; published by CGAP (Consultative Group to Assist the Poor) and International Finance Corporation; January 2013; 43 pages; available at: <http://www1.ifc.org/wps/wcm/connect/d87bf8804e5aba9bad7dadfce4951bf6/Microfinance+in+Myanmar+Sector+Assessment-Final.pdf?MOD=AJPERES>

Myanmar has been ranked as the poorest and most politically corrupt country in Southeast Asia. The authors state that its economic development is complicated by high inflation and a... (Continued in the subscriber edition)



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