

# IFC-MI CAPITAL MARKETS PROGRAM NEWSLETTER

## Happy Thanksgiving! Highlight of the Month

November is here, and Thanksgiving is around the corner. Most importantly, the U.S. Presidential election has just taken place, making this a unique time for the IFC-MI Fellows to be in the nation's capital.



Carole Biau  
Program Director

This month the Fellows have moved forward with successful group projects and in-class presentations, and have also been matched with their internship providers in view of their four months of practical training this spring.

From January through April 2017, our Fellows will be interning with a range of high-caliber institutions across the U.S. financial industry. These include:

- **Leading financial services institutions** (UBS, Standard Chartered Bank)
- **Venture capital and private equity firms** (YAATRA Ventures, Vista Equity Partners, Clayton Dubilier & Rice)
- **Hedge funds and asset managers** (George Weiss Multi-Strategy Advisers, Gramercy Funds Management, World Quant LLC, Millennium Management)
- **International financial institutions and regulatory bodies** (World Bank Group, IFC, U.S. Securities and Exchange Commission)

The internships will allow the Fellows to see first-hand how U.S. financial markets work and to put their technical knowledge into practice. This is also a very exciting opportunity for our many internship providers, who we thank once again. We are delighted to count on so many strong partnerships for the inaugural year of this program!

### Financial Regulation Panel at the IFC



The seminar series this month was marked by a high-level panel discussion on regulation in emerging markets. Hosted at IFC on November 9, the panel was moderated by Ethiopis Tafara, IFC Vice President and General Counsel, who facilitated an insightful discussion with the panelists: Arunma Oteh, IBRD Vice President and Treasurer and Michael D. Mann, Partner at RK&O; and the 18 IFC-MI Fellows.

The discussion spanned from the fundamental role of a regulator to practical considerations involved in designing an effective regulatory framework for nascent markets. The panelists stressed that robust regulation is the backbone of the ecosystem of capital markets and must be supported by strong leadership. The two-hour discussion concluded with the panelists emphasizing the importance of a strong network between regulators, and the Central Banks and Ministries of Finance to ensure the development of deep and efficient capital markets in emerging economies.

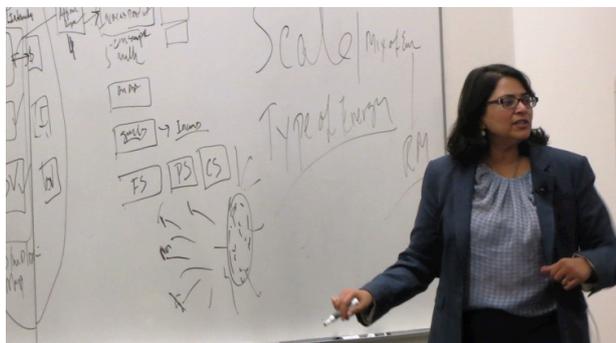


## About Us

The IFC-Milken Institute Capital Markets Program at The George Washington University was created exclusively for mid-career professionals with a passion for local capital-market development in emerging economies. Drawing on decades of knowledge and experience from scholars, policymakers and market practitioners, the program includes four months of coursework at GW in the fall, and four months of work placement in leading U.S. public and private institutions in the spring. This is supplemented by unique hands-on learning resources—including the IFC's proprietary case studies and the IFC-MI Speaker Series—which are customized for policymaking in emerging-market contexts. By actively participating in the program and staying connected to its alumni network once they have returned home, the IFC-MI Fellows are planting the seeds for robust capital markets and a healthy business environment in the youngest and fastest-growing parts of the world.

# Sitting in on the IFC-MI Speaker Series

Every week, the Fellows participate in a variety of learning experiences designed by the IFC and the Milken Institute to supplement their core courses and expose them to practitioner insights.



## Building National Interest: Financing Development and Managing Political Risk October 12, 2016

Rajakumari Jandhyala explored options by which governments in developing countries can transform the private sector into a driver for broad-based growth and political and economic stability. Raja presented three investment issues from several perspectives, drawing on her 25 years of experience in providing strategic leadership for economic, political and security reforms in Africa. In addition to her roles as venture capitalist and as one of the key architects of USAID's Power Africa Initiative, Raja brought to bear the perspective of multiple African governments (including Nigeria, Uganda, DRC, Sierra Leone, Angola and Liberia) where she has held senior appointments over the past two decades. She left the Fellows with inspirational words on how finance could best support their countries' national interests.



## Public and Private Equity Investing in Africa: The View from the U.S. October 26, 2016

Nicolas Martin from Baylis Emerging Markets, and Gordon McLaughlin from Development Capital Partners, engaged the IFC-MI Fellows in a conversation on how investment opportunities in Africa and other developing regions are viewed from the standpoint of investment managers and private equity firms in the U.S. Among other things, Nico and Gordon compared private with public equity investment strategies; discussed what governments and regulators in host countries can do to encourage and better manage some of these flows; and drilled down into the nuts and bolts of selecting and making each investment. Corporate governance enforcement, stock market liquidity and foreign exchange regulations were identified as central challenges for equity investors in developing countries.



## Capital Formation for Small and Emerging Growth Companies in the U.S. November 2, 2016

The IFC-MI Fellows joined Graham Powis and Charles Mather, from BTIG's Investment Banking Group, to explore how small and growing companies raise capital in the U.S. market. They covered the specifics of the private placement market as well as the IPO market, referring to cases of companies that have successfully grown and deployed capital. They also looked into the regulatory conditions in place for this form of access to capital in the U.S., with comparisons to the Fellows' home countries.

## CMP Professors

Core courses in the Capital Markets Program are taught by a dedicated and distinguished group of George Washington University School of Business Professors



Professor Şenay Ağca received her PhD from Virginia Polytechnic and State University in 2002. Her areas of expertise include credit risk, derivatives, corporate finance and international financial markets. Her publications include "The Impact of Capital Market Imperfections on the Investment-Cash Flow

Sensitivity," in the Journal of Banking and Finance (forthcoming), and "The Performance of Alternative Risk Measures and Immunization Strategies under a Heath-Jarrow-Morton Framework," in the Journal of Financial and Quantitative Analysis. Professor Ağca's current research concerns fixed income, credit

risk, derivatives, corporate finance and international financial markets. She teaches corporate finance for our class of IFC-MI Fellows.

# A Note from the IFC-MI Fellows

*The Fellows provide a glimpse into their classrooms and experiences in the Capital Markets Program*



Back row, from left to right: Keshav Gaur, IFC Treasury; Divya Nair, IFC Treasury; Michel-Edouard Wembandju Odimba, DRC Central Bank; Eden Mabilana, Bank of Mozambique; Keneth Byayesu, Ministry of Finance of Rwanda; Eric Bundugu, Rwanda Capital Markets Authority; Veronica Nyamweya, Kenya Capital Markets Authority; Immaculate Nakato, Bank of Uganda; Daniel Warutere, Kenya Capital Markets Authority; Abenet Bekele, Ethiopian Commodity Exchange; Stephen Birungi, Bank of Uganda; Owen Mooka, Bank of Zambia; Walter Pacheco, Angola Capital Markets Commission; Kevin Kime, IFC Treasury. Front row, from left to right: Onkar Phadnavis, India National Stock Exchange; Wamilson Rangel, Angola Capital Markets Commission; Anta Taal, Ministry of Finance of the Gambia; Madalitso Mandiwa, Ministry of Finance of Malawi; Arunma Oteh, IBRD Vice President & Treasurer; Davis Laporte, Central Bank of the Seychelles; Christopher Legilisho, Central Bank of Kenya; David Ngirimana, National Bank of Rwanda.

**“After this program, I will return to Kenya to apply and share the knowledge acquired so as to support the rapid advancement of capital markets not just in my country, but in the region as a whole. This program is giving my career a new direction: Africa will no longer have to look outside for experts, but the experts will be found within Africa, and I will be one of them.”**



**Veronica Moraa Nyamweya**  
Senior Officer  
Kenya Capital Markets Authority

## Professor's Note

“It is a pleasure to be involved in the Capital Markets Program. The Fellows are very engaged in the learning process. They come with policy experience and they oftentimes think deeper than the subject matter alone, which brings about detailed discussions regarding the role of corporate finance in capital-market development. I am very impressed with this bright and enthusiastic cohort. I believe this program has considerable potential to impact policy development in emerging markets. The Fellows have rigor and enthusiasm to be able to follow this through when they go back home. I am so glad to know each one of them and wish them the best in the future.”

-Professor Şenay Ağca, GWSB Associate Professor of Finance

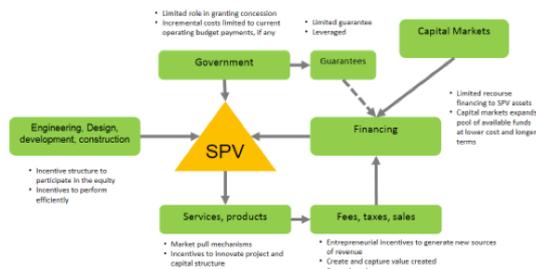
# Technical Insights

## Monthly Webinars: Islamic Capital Markets with INCEIF and Financial Innovations for Infrastructure and SME Development with the Milken Institute

On October 12, following a friendly dinner at the Milken Institute, Professor Obiyathulla Ismath Bacha joined us from the International Center for Education in Islamic Finance (INCEIF, headquartered in Malaysia). The Fellows took part in a lively hour of Q&A to address the intricacies of “Islamic bond” (sukuk and murabaha) financing, the risk-sharing emphasis of Islamic capital markets and applications to sectors such as long-term infrastructure.

On October 26, MI’s Glenn Yago and Caitlin MacLean discussed the latest innovations for infrastructure financing with the Fellows, and the role that capital markets could play in unlocking such long-term sources of finance. Glenn and Caitlin drew on comprehensive cases from MI’s Financial Innovations Labs in Israel (addressing river rehabilitation) and Bangladesh (waste management), and on results of MI surveys across institutional investors active in Africa and Asia. This was followed by a webinar on November 7 focused on financial innovations for SME growth and entrepreneurship.

Building a Public Private Partnership using a **Special Purpose Vehicle (SPV)** opens new opportunities



## Wellington Discusses Asset Management in a Context of Geopolitical Risk

Are Brexit, Turkey's failed coup and the unexpected outcome of the U.S. presidential election all evidence of the coming of a new world order? On November 2, Wellington Management, one of the world’s top 10 asset managers, joined us for a highly timely discussion. Over coffee and cookies, Thomas Mucha explored a variety of global structural and geopolitical movements together with the Fellows. He traced how these shifts could impact macroeconomic outcomes and asset allocation decisions in global capital markets – as well as the implications for the regulators and policymakers who make up our class.

# Upcoming Events

Many CMP events are open to program partners

November  
**16**

**IFC-MI Speaker Series:**  
Pension Funds and Capital Markets with the World Bank Group

November  
**21**

**IFC-MI Speaker Series:**  
Global Investing with UBS

November  
**30**

**IFC-MI Speaker Series:**  
Toward a More Prosperous Future with Mike Milken

Finnovation with OnDeck and the Milken Institute



**Eric Bundugu**  
Deputy Executive Director  
Rwandan Capital Market Authority

**“For me as a regulator, the panel discussion on financial regulation at the IFC this month was really interesting. I am planning to do some follow-up consultations with the panelists, based on their experiences with the U.S. and Nigerian Securities and Exchange Commissions. It was important and timely to hear their perspectives. This will enable me to effectively maximize my own work experience at the U.S. SEC next spring.”**

The Capital Markets Program looks to draw from a wide range of experts to participate as speakers or to engage with Fellows through internships. Applications for the next class of IFC-MI Fellows also open this fall. If you or your organization is interested in becoming involved in this unique program, please contact Carole Biau at [cbiau@milkeninstitute.org](mailto:cbiau@milkeninstitute.org) or (202) 336 8942.



## CAPITAL MARKETS PROGRAM

at The George Washington University