



State of the Microcredit Summit Campaign Report 2011

Larry R. Reed



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* Please note that in 2009, for the first time in a decade, the Campaign did not collect any data and, therefore, did not publish a *State of the Microcredit Summit Campaign Report 2010*.

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Introduction

In teaching economics, I learned about money, and now as head of a bank I lend money. The success of our venture lies in how many crumpled bank bills our once starving members now have in their hands. But the microcredit movement, which is built around, and for, and with money, ironically, is at its heart, at its deepest root not about money at all. It is about helping each person to achieve his or her fullest potential. It is not about cash capital, it is about human capital. Money is merely a tool that unlocks human dreams and helps even the poorest and most unfortunate people on this planet achieve dignity, respect, and meaning in their lives.

Nobel Peace Prize Laureate Muhammad Yunus reflecting on the 1997 Microcredit Summit in *Banker to the Poor* (Public Affairs, 1999).

Microcredit¹ is a tool for unlocking human dreams. But microcredit, by itself, is usually not enough.

That may seem like an unusual way to start an annual report from an organization named the Microcredit Summit Campaign, but we recognize that we cannot achieve our goals, especially the goal to see 100 million families move above the US\$1.25 a day threshold, with microcredit alone.

As Professor Muhammad Yunus, founder of the Grameen Bank of Bangladesh, says, the microcredit movement, at its deepest root, is not about money at all, but it does use money to achieve its ends. Money can be used for good or ill: it can liberate or enslave; it can unlock dreams or unleash nightmares. As this report is being completed, in mid-December 2010, we see both of these scenarios playing out.

For Rita, microcredit has been part of a process of liberation. Raising five children in rural Ghana, she initially could not take out a loan because she was considered too poor by her community. The six month growing season for her mangos did not fit the repayment cycle of local microfinance providers. She and her children often struggled through the “hungry season,” the months before the mango harvest came in when she did not have enough money to buy food or medicine for her sick children. Then she joined a Credit with Education group organized by Freedom from Hunger. She received both an \$80 loan and education in how to diversify her crop so that she had money coming in year round. With a steady income and a group to support her, Rita could save money.

“The biggest thing for me was starting to save,” says Rita. “I had never saved before. Now I have savings to tap when it’s time for the school fees and other needs, including more food. My family is better now. We eat better.”

¹For the purpose of this report and the Summit’s 19-year fulfillment campaign, any mention of “microcredit” refers to programs that provide credit for self-employment and other financial and business services (including savings and technical assistance) to very poor persons.

It grieves us deeply to see the tools and systems we have supported cause harm rather than hope. We serve a high calling . . . to ensure that our work results in liberation, not enslavement.

Rita also values the encouragement and education she receives from the other women in her group. “I live out on our farm. The program has allowed me to meet with women and share ideas, learn from each other, take risks, and imagine a better future especially for my daughters. After my family, my group is the most important thing to me. I look forward to the weekly meetings.”

After receiving credit and education, joining a support group and having a place to save, Rita has begun to dare to dream of a better future for herself and her children. “I want to save more, so I can use my own money for the farm instead of taking out loans. I want to meet people who earn more money, so I can learn from them.”²

For Zaheera of Andhra Pradesh, India, microcredit had an opposite effect. Zaheera no longer dreams. She died in an apparent suicide on September 13th, 2010. At the time of her death, she had loans outstanding from eight different microfinance institutions totaling Rs. 160,000 (US\$3,500). She had no regular income, just odd jobs in town that would pay her about Rs. 600 (\$13) a week. She used most of the loan money for her daughter’s wedding.

With her eight different loans, Zaheera had meetings with her joint liability groups³ almost every day of the week, but these groups turned against her when she could not meet her regular payments. “That is what drove my wife to suicide as she did not have the courage to face the group members, leaders and loan staff without making payments and there was nowhere from which we could repay all the money” said Zaheera’s husband. Zaheera leaves behind not only her husband, but also four children, the youngest of whom is three.⁴

For Rita, microcredit formed part of a combination of services and support that helped unlock her dreams. For Zaheera, an overabundance of microcredit, provided without much support or any other services, led to despair and death.

We weep with Zaheera’s husband and children. We dream with Professor Yunus of a world where “even the poorest and most unfortunate . . . achieve dignity, respect, and meaning in their lives.” It grieves us deeply to see the tools and systems we have supported cause harm rather than hope. We serve a high calling, and in this report we will explore ways to refocus our efforts to ensure that our work results in liberation, not enslavement.

² <http://www.freedomfromhunger.org/bytes/women/rita.php>

³A joint liability group is a group of borrowers who guarantee each other’s loans and meet together on a regular basis. If any member cannot make a payment, the other members are responsible for making the payment for her.

⁴Ramesh S. Arunachalam, “Can we Bring Back Ayesha’s Ammy?” Candid Unheard Voice of Indian Microfinance, 11/18/10, <http://microfinance-in-india.blogspot.com/2010/11/can-we-bring-back-ayeshas-ammy.html>.

Executive Summary

At the re-launch of the Microcredit Summit Campaign in 2006 in Halifax, Canada, we set two goals.

- 1) Working to ensure that 175 million of the world's poorest families, especially the women of those families, are receiving credit for self-employment and other financial and business services by the end of 2015;
- 2) Working to ensure that 100 million families rise above the US\$1.25 a day threshold adjusted for purchasing power parity (PPP),⁵ between 1990 and 2015.

Goal 1: As of December 31, 2009, 3,589 microcredit institutions reported reaching 190,135,080 clients, 128,220,051 of whom were among the poorest when they took their first loan. Of these poorest clients, 81.7 percent, or 104,694,115, are women. Institutional Action Plans were submitted by 723 microfinance institutions (MFIs) in 2010.

Together, these 723 institutions account for 94.6 percent of the poorest clients reported; this means that 94.6 percent of the data reported is current, being just over one year old when this report is published. Assuming five persons per family, the 128.2 million poorest clients reached by the end of 2009 affected some 641.1 million family members.

Table 1: Figures as of December 31, 2009

Data Point	Finding
Number of MFIs Reporting (data from 12/31/97 – 12/31/09):	3,589
Number of MFIs Reporting in 2010 (data from 12/31/09):	723
Percent Poorest Clients Represented by MFIs Reporting in 2010:	94.6%
Total Number of Clients (as of 12/31/09):	190,135,080
Total Number of Women (as of 12/31/09):	140,117,727
Total Number of Poorest Clients (as of 12/31/09):	128,220,051
Total Number of Poorest Women (as of 12/31/09):	104,694,115

Among the organizations reporting in 2010, the Campaign was able to verify⁶ data from 327 institutions, representing 119,490,847 poorest families; this means that 93 percent of the total poorest reported is both current and verified. A complete list of the institutions verified for this report can be found in **Appendix I**.

Loans to 128.2 million poorest clients affect a total of 641.1 million people, including both clients and their family members. The 641.1 million people

Loans to 128.2 million poorest clients affect a total of 641.1 million people, including both clients and their family members. The 641.1 million people affected is greater than the combined population of the European Union and Russia.

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⁵“PPP rates provide a standard measure allowing comparison of real levels of expenditure between countries... PPP rates are calculated by simultaneously comparing the prices of similar goods and services among a large number of countries” *World Development Indicators* (2010), World Bank <http://data.worldbank.org/data-catalog/world-development-indicators/wdi-2010>.

⁶By verification, the Campaign means that the verifier has “visited the program, met the senior officials, been provided with numbers, and believes that the institution and the numbers listed [in the verification form] are reliable and credible.”

affected is greater than the combined population of the European Union and Russia. Though microfinance is no longer micro in its reach, poverty still persists.

Goal 2: When we set this second goal in 2006, we knew it would be the most difficult both to measure and to achieve because at the heart of the second goal is transformation: a woman moving from subsistence to confidence that she can provide for herself and build a better life for her family. An empowered woman is no longer as susceptible to external shocks because the client and her family now belong to a real social network, not the virtual kind. They have connections that provide support and share burdens in difficult times.

Later in this report, we will highlight a groundbreaking study commissioned by the Microcredit Summit Campaign in Bangladesh that looks at movement above the US\$1.25⁷ a day threshold by microfinance clients. The study, part of the Movement above the \$1 a day Threshold Project (MDP), finds that over the past 19 years (1990 – 2008), on net, almost 2 million households in Bangladesh, including nearly 10 million family members, have moved above the threshold.

In the report, we will also review the progress of the Microcredit Summit Campaign and the broader microfinance community over the past year. In preparing this document we have interviewed scores of leaders in the microfinance industry, capturing their thoughts on the issues in microfinance that concern and excite them the most. We have heard about the excitement around continued growth in the industry, especially in a time of worldwide economic crisis. But we have also heard about the challenges of rapid growth, leading to failure of some microfinance institutions and tragic reports in Andhra Pradesh of multiple lending, over-indebtedness, coercive collection practices and accusations of clients' suicides caused by an inability to repay their loans. We have heard of the potential that comes from greater knowledge of the financial lives of clients and of technological breakthroughs that can help us reach clients at much lower costs. Finally, we have also heard of concerns about overhyping our impact on the one hand and abandoning our mission on the other.

We conclude the report with a call for the industry to develop a way to identify those organizations that take on and demonstrate success in achieving the transformational dimension of microfinance — the work of helping poor people lift themselves out of poverty. If we can identify such exemplary organizations, then all can learn from them. The Microcredit Summit Campaign has taken on this challenging task by shepherding a consultative process for nearly a year on creating a Seal of Excellence for microfinance. Our movement is not just about money, it is about unlocking human dreams. We seek to employ financial capital to unleash human potential, and we still have a lot to learn from those who do this well.

⁷When this goal was originally set in 2006, we used the "\$1 a day" figure, but in 2008, the World Bank adjusted the figure to \$1.25 as a result of a new data set of national poverty lines, as reported in "Dollar a Day Revisited" (http://econ.worldbank.org/external/default/main?pagePK=64165259&theSitePK=469372&piPK=64165421&menuPK=64166093&entityID=000158349_20080902095754).

Our movement is not just about money, it is about unlocking human dreams. We seek to employ financial capital to unleash human potential.

Rapid Growth in the Microfinance Industry

The rapid growth of the industry quickens the pulse of many of the leaders we interviewed. Growth over the last three decades has made microfinance available to a large segment of the world's population. But is it the kind of growth that helps us reach more people while addressing fewer needs, or is it growth that brings transformation in the lives of clients?

John Hatch, founder of FINCA and co-founder of the Microcredit Summit Campaign, puts it this way: "If you look at it from a big tent point of view of total people reached instead of just looking at the poorest of the poor, I think the estimates now are roughly [190] million clients worldwide. Multiply that by 4 or 5 people per family and you are close to a billion people impacted by this movement. That is just a huge accomplishment. We have started building little rungs on the credit ladder, and now it is hard to find a country that doesn't have a ladder in place that allows poor people, if they can get on the bottom rung, to have a place to climb."

"It feels like we've turned the corner," says Marguerite Robinson, author of *The Microfinance Revolution*. "We will continue to have ups and downs, but it seems like the idea of sustainable finance for the poor is here to stay."

Robert Annibale, Head of Microfinance at Citibank, makes a similar point. "We've weathered the storm. The world is just beginning to come out of one of the worst economic crises in many decades, and microfinance is doing fine. We have some setbacks here and there, but as a whole, microfinance continues to grow."

A large part of this growth has come from the ability of microfinance institutions (MFIs) to reach massive scale. In 2001, five of the MFIs reporting to the Microcredit Summit Campaign had one million or more clients living on less than \$1.25 a day, and together they reached 8.5 million poorest clients. In 2009, 10 institutions reported one million or more clients living on less than \$1.25 a day, and together they reached 33.4 million poorest clients.⁸

David Baguma, Executive Director of the Association of Microfinance Institutions of Uganda, sees the entry of commercial financial institutions into microfinance as a sign of the vitality of the sector. "To me it is very exciting when I go into a crowded slum and I see a branch of a commercial bank. I have been in the industry for many years, and the people living there were always considered unbankable. And now there are banks investing in that area. To me that is a very exciting achievement, that commercial banks for the first time consider this a viable business."

Another interesting trend has been the continual flowering of new organizations that spread the concepts of community-managed financial services in rural

We have started building little rungs on the credit ladder, and now it is hard to find a country that doesn't have a ladder in place that allows poor people, if they can get on the bottom rung, to have a place to climb.

— John Hatch, FINCA

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— David Baguma, AMFIU

⁸Grameen Bank, SKS Microfinance Limited, BRAC, Vietnam Bank for Social Policies (Vietnam Bank for the Poor), Spandana Sphoorty Financial Limited, Association for Social Advancement (ASA Bangladesh), Share Microfin Limited, Bandhan Financial Services Pvt. Ltd., Asmitha Microfin Limited and Sri Kshetra Dharmasthala Rural Development Project (December 31, 2009 data).

areas. The Self-Help Group (SHG) movement in India now includes 67.9 million people saving together in self-managed groups. International and national NGOs have employed a variation of this model, the village savings and loan association (VSLA), to reach rural clients in other countries. At the end of 2009, CARE, Catholic Relief Services, Oxfam America and Plan International reported over 2 million people saving in such savings groups, about half of whom had loans outstanding.

This growth has fueled the ongoing development of the microfinance “value chain.” From a few small NGOs 30 years ago, microfinance has grown to include thousands of providers. These providers take many forms—community cooperatives, NGOs, formally registered microfinance institutions, post office savings banks and commercial banks—and they conduct a variety of transactions.

Some of these transactions have become very high-tech. At the Opportunity International Bank of Malawi, clients withdraw their savings from an ATM with a smart card and a fingerprint; at Equity Bank in Kenya, savers deposit money in their account with a text message that transfers value from their mobile phone. Growth has also occurred on the very low-tech side with savings clubs distributing loans from a lock box safeguarded by members of the group. Some transactions, on the other hand, combine both high and low tech; for example, business correspondents in India go door to door distributing and receiving funds, recording each transaction on a wireless device connected to a bank.

An equally vast array of financing mechanisms has been developed to capitalize on these finance providers. From the donor-funded projects of the early years, we now have all types of funds providing equity and debt, some with more of a social orientation and others more commercially focused. Private investors risk their own capital, hoping to make a profit; governments invest tax revenue and provide tax incentives, hoping to promote development; and individuals make direct investments in individual clients through online brokers like Kiva. The Consultative Group to Assist the Poor (CGAP) reports that the total amount managed by investment funds for microfinance totaled over \$11 billion⁹ in 2009.

The scale of the industry has also made it possible for a host of support service providers to grow and thrive, creating a vibrant microfinance ecosystem. These other actors include networks to set standards and share best practices; researchers, trainers and consultants to build capacity in local institutions; and software companies and technology providers that offer solutions to help MFIs keep track of clients and lower transaction costs.

At the Microcredit Summit Campaign, this growth is most evident at the regional summits. In the earliest regional summits, we needed very little exhibit space, most of which was taken up by international NGOs trying to attract the attention of both donors and potential local partners. At the 2010 Africa/Middle East Regional Summit in Nairobi, we allocated 845 square meters, the

⁹CGAP, *Microfinance Investment Vehicles Disclosure Guidelines*, 2010, Consultative Group to Assist the Poor/World Bank, <http://www.cgap.org/p/site/c/template.rc/1.9.47636/>.

equivalent of two basketball courts of exhibition space, which was filled by banks, investors, rating agencies, trainers, phone companies, insurance agencies, software companies, and micro-entrepreneurs themselves all seeking to sustain their operations by investing in or selling goods and services to microfinance providers.

Citibank's Annibale recognizes the impressive scale of this growth in all areas but fears that many in the microfinance community are not ready to embrace the range of providers, products and services that the industry will need to keep going. He reflects further on this topic in **Box 1**.

Box 1: A Market this Big Needs Many Types of Providers

Back in 1982, when Citi made its first loan to a non-governmental organization (NGO), the microfinance world was much simpler. There were the few global networks, and we were still using the term “micro-credit.” It was a much more focused, smaller community.

The industry has grown tremendously since then. From a few million clients in the 1980s, microfinance now reaches more than [190] million families. We have seen tremendous growth in the size of microfinance organizations and the scale of their operations, but we are also seeing that there is a price for growing too fast—in any industry. You can grow only so fast before burning out the staff, or you cannot bring on well-trained new staff to keep up with your growth.

Most of this growth has come from organizations offering only one or two credit products. The demand, the need and perhaps the model lent itself to consistent growth because it stayed very focused. However, fast growth of organizations using similar models and strategies in the same locations has led, in some cases, to multiple loans to the same borrower and a breakdown of lending discipline. We see these issues in Andhra Pradesh in India where institutions' client-base overlaps are putting a lot of pressure on repayments.

How do you provide financial access to the vast majority of the population? It will take more than NGOs and commercial banks—we need cooperatives, credit unions and postal savings banks. We need cell phone companies that can make loan payments. We see opportunities for many different services and types of providers.

In most of the countries where we work, anywhere from 60 to 80 percent of the population is unbanked. This is too big a segment to cover with just one or two approaches and institutional forms. We have the ultra-poor and displaced people at one end of the scale, and the very economically active people who might even be employed on the other end. Their needs are different.

I get concerned with some of the arguments that take place in microfinance today. It seems like there is an underlying assumption that there is only one type of microfinance client and that client should be served by only one type of institution—when the opposite is true. There are many differently client segments in microfinance, and MFIs would do better to focus on each segment to develop the best business models to serve those clients.

—continued on next page

Even as one part of microfinance becomes more commercial, we have to keep thinking about the many vulnerable, underserved, complicated communities that mainstream microfinance may not yet be able to reach.
— Robert Annibale, Citibank

Box 1: A Market this Big Needs Many Types of Providers, continued

In the next few years, the innovation needs to be in designing products that fit who clients are and what they want to become; we get there by getting to know the clients, their needs, their cash flows and their aspirations much better.

Within this microfinance ecosystem, we need some institutions to work with the very difficult-to-reach and vulnerable communities, delivering social output of a very high caliber, and they cannot then be devoted just to achieving scale and even full sustainability. Their objective may never be to become a finance company, yet

they may use financial tools as one of the enablers toward progress out of poverty along with health and education training.

Even as one part of microfinance becomes more commercial, we have to keep thinking about the many vulnerable, underserved, complicated communities that mainstream microfinance may not yet be able to reach.

Robert Annibale is the Head of Microfinance at Citibank and is based in the UK.

With 128.2 million poorest households with current microloans at the end of 2009, we are on pace to reach the goal of 175 million by 2015.

What Have We Gained from Growth?

With all of this growth in the number of clients and the size of successful microfinance institutions, are we achieving our goals? With 128.2 million poorest households with current microloans at the end of 2009, we are on pace to reach the goal of 175 million by 2015. The second goal, seeing 100 million rise above the US\$1.25 poverty threshold, presents more challenges.

To begin the process of measuring progress against this goal, the Microcredit Summit Campaign formed an expert panel in Bangladesh as a step toward commissioning a report to look at how many microfinance clients have crossed the poverty line in that country, on net, over the last 20 years. **Box 2** gives a summary of this study, which found that, on net, 1.8 million microfinance client households, representing 9.43 million family members, crossed the \$1.25 a day poverty line in the period from 1990 to 2008. The study also finds that macro level events, like the floods in 1998 and the food and fuel crisis in 2008, had a significant negative impact on the percentage of people moving out of poverty.

Other studies give even more mixed results. During the past few years, the academic community has added important new studies to the growing literature that looks at the performance of microfinance as a poverty reduction tool. A small number have used randomized control trials (RCTs) to measure the impact of microcredit and other financial services on people living in poverty. An RCT tests the impact of an intervention, such as access to a microfinance loan, by comparing one group of participants who received a loan with another group that did not receive a loan. For the study to have validity, the two groups must have the same underlying characteristics, such as age, gender, type of business and geographic location.

Dean Karlan, Professor of Economics at Yale University and head of Innovations for Poverty Action, one of the leaders in conducting these studies, says, “We have not been able to detect much impact from credit yet in these studies. The savings side is different. We do have clear evidence of impact from providing savings services to the poor in one study.”

Sam Daley-Harris, Director of the Microcredit Summit Campaign raises questions about the RCTs. “I have two questions when I look at the RCTs. First, what kind of MFIs are they studying? If they are studying an MFI that is solely focused on access and isn’t managing their operations to ensure social performance, then you shouldn’t expect positive change; you should just expect access, nothing more. Second, why do the researchers expect to see measurable change within 12 to 18 months, the normal duration of these trials? Twelve to 18 months is too short a period to see such change.”

“I believe in RCTs and want to see more of them,” says Richard Rosenberg, Senior Advisor at the Consultative Group to Assist the Poor (CGAP), “but the ones so far, to draw any conclusions from them about the poverty alleviation effects of microfinance, I think would be lunacy. There’s only three of them, only two on microcredit, and before I started to say something about external validity, I would want to see five or more of those all coming up with the same things in different settings.”

Christopher Dunford, President of Freedom from Hunger, emphasizes the need to triangulate the information from RCTs with other sources of data that can help in interpreting the results. At Freedom from Hunger, they use “impact stories” based on in-depth interviews with randomly chosen clients, including those who have dropped out.

We are just now getting back to the people in Peru who responded three years ago and collecting the follow up stories. The picture that emerges fits with the results of the RCTs. It also fits with a study done back in 1996 by Paul Mosley that shows that when we focus on average impact we might miss important underlying action. In his study in Bolivia he found that something like 65 percent of the clients had done OK, basically using microfinance like an ATM to manage cash flow, an opportunity to save a little bit, to borrow against future earnings, to smooth consumption. Then there’s about 25 percent of the clients who had actually done well, who had used the loans to invest in businesses and the businesses had grown, and they had really in some substantial way risen, if not out of poverty, at least up the ranks of the poor to a better financial position. Then 10 percent had just gone to hell in a hand basket because they have gotten over-indebted, or ran into problems of all sorts, or they shouldn’t have taken out a loan, or they took loans and had bad luck and having a loan just made things worse.

We have not been able to detect much impact from credit yet in these [randomized control trial] studies. The savings side is different. We do have clear evidence of impact from providing savings services to the poor in one study.

— Dean Karlan,
Yale University

Why do the researchers expect to see measurable change within 12 to 18 months, the normal duration of these trials? Twelve to 18 months is too short a period to see such change.

— Sam Daley-Harris,
Microcredit Summit
Campaign

Kathleen Odell, Assistant Professor of Economics at Dominican University's Brennan School of Business, recently conducted a study of major impact studies of microfinance conducted from 2005 to 2010, including those using RCTs and those using other methods. She concludes, "There is evidence from a number of studies (using a variety of methodologies across different settings) suggesting that microfinance is good for microbusiness... Based on the studies on the survey, the overall effect on the incomes and poverty rates of microfinance clients is less clear, as are the effects of microfinance on measures of social well-being, such as education, health and women's empowerment."¹⁰

Jake Kendall, Research Fellow at the Bill & Melinda Gates Foundation, reviews what we have learned so far from these studies and warns about drawing conclusions too soon in **Box 3**. Our assessment, however, from reviewing the Bangladesh study and the academic studies is that we are far behind on our goal to see 100 million households move above the US\$1.25 a day threshold. To reach that goal we will need to continue to grapple with the fact that there is very little baseline data on whether clients were living on less than \$1.25 a day when they started. Then we will need to understand why growth in the number of microfinance clients does not yet yield significant and measureable movement out of poverty.

The study found that, on net, 1.8 million microcredit client households [in Bangladesh], including 9.43 million household members, crossed the \$1.25 a day poverty threshold between 1990 and 2008.

Box 2: Bangladesh Client Movement above the US\$1.25 a Day Threshold

The Microcredit Summit Campaign is committed to using microfinance to powerfully contribute to the end of poverty. Its decade-long focus on client poverty measurement and progress out of poverty underscores this commitment. To this end, the Campaign has begun to track progress towards its second goal to ensure that, from a starting point in 1990, 100 million of the world's poorest families move from below \$1.25 a day, adjusted for purchasing power parity (PPP), to above \$1.25 a day adjusted for PPP by 2015.

Evidence from Bangladesh

Findings from a nationwide study in Bangladesh commissioned by the Campaign show promising results. The study, undertaken by the

Bangladesh-based Economic Research Group, was administered between February and August 2009. Researchers surveyed a nationally representative sample of 4,000 Bangladeshi microcredit clients and estimated the net number of households in Bangladesh that crossed the US\$1.25 a day threshold between 1990 and 2008.*

The study found that, on net, 1.8 million microcredit client households, including 9.43 million household members, crossed the \$1.25 a day poverty threshold between 1990

* This study made no attempt to establish causality between microcredit and poverty alleviation. Instead, it simply estimates the change in status of microcredit client households between 1990 and 2008, when compared with their status during the time of the first loan received by any member of the household.

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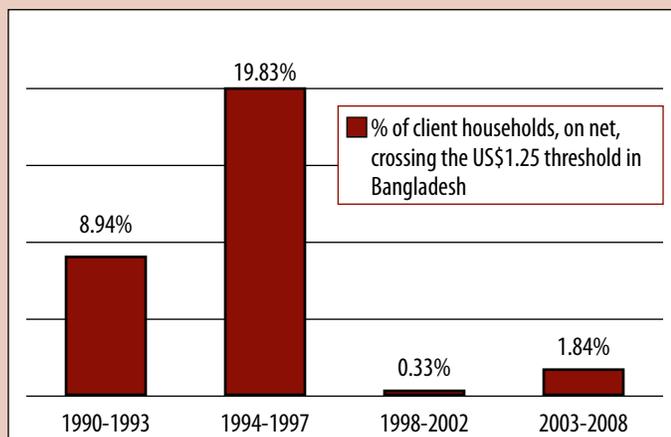
¹⁰Kathleen Odell, *Measuring the Impact of Microfinance: Taking Another Look*, Grameen Foundation, 2010, http://www.grameenfoundation.org/sites/default/files/Updated2_Measuring%20the%20Impact%20of%20Microfinance%20-%20Taking%20Another%20Look.pdf.

Box 2: Bangladesh Client Movement above the US\$1.25 a Day Threshold, continued

and 2008. A second key issue raised in the report, seen in Figure 1 below, was that in some years a large percentage of clients left poverty, whereas, in years coinciding with

the 1998 floods and the food crisis of 2008, many households, including some who were non-poor when they joined the microcredit program, slid below the \$1.25 threshold.

Figure 1: Percentage of Client Households, on Net, Crossing the US\$1.25 Threshold in Bangladesh



It is important to note that the findings in this report were significantly influenced by the period in which the data was collected. In 1998, Bangladesh suffered from what are often described as the most severe floods ever to hit the country. Beginning in 2005, a food crisis coupled with political instability in Bangladesh and the 2008 global economic crisis led to a general drop in economic activity. All these factors may have led to

the depletion of assets that are commonly chosen as proxies to measure poverty status among the very poor in Bangladesh. This in turn may have led to under-estimation of the number of microcredit client households that may have otherwise crossed the threshold.

Sajjad Zohir is the Director of the Economic Research Group and is based in Bangladesh.

Box 3: There is No “Silver Bullet”—The Poor are Diverse and so are their Needs for Financial Tools

The past few years have seen the release of an initial round of results from randomized field trials looking into the impacts of various savings, credit and insurance services on

the livelihoods of poor clients. They have been somewhat disappointing to those in the financial inclusion field who expected that they would provide clear marching orders.

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Box 3: There is No “Silver Bullet”—The Poor are Diverse and so are their Needs for Financial Tools, continued

Despite failure of many of these studies to find much of a poverty reduction impact on average, digging beneath the surface shows what appears to be a wide variation in both the rates of uptake of the products and in the impacts of the products on different segments of clients. This is not surprising. Financial services are primarily used to manage gaps in income or to generate lump sums for large purchases, investments or emergencies. Individuals will differ in their need for these services. Thus, we would expect to see differences in uptake and impact. The early evidence seems to confirm that this is the case.

As examples, two recent studies of microfinance credit offerings—Bannerjee, Duflo, Glennerster, and Kinnan (2009) studying Spandana in India and Karlan and Zinman (2009) studying First Macro Bank in Manila—do not show any improvement over 14-18 months in basic welfare indicators from providing credit to the general population. They do, however, show large changes in investment behavior or in other outcomes for specific subgroups. E.g., in the India study, entrepreneurs expanded their businesses, and those who had similar traits to entrepreneurs launched new ones.

There have been a few studies of the impacts of savings accounts recently as well. Studying rural savings in Kenya, Dupas and Robinson (2009) found savings accounts had impacts when given to women. The study found that women who participated were investing 45 percent more, had 27 to 40 percent higher personal expenditures and were less likely to take money out of their businesses to deal with health shocks than women who were not offered savings accounts. On the other hand, there were no impacts for the men.

Studying Green Bank of Caraga in the Philippines, Ashraf, Karlan and Yin (2006, 2010) find that “commitment savings accounts”^{*} do increase average savings among women and increase feelings of empowerment relative to those with regular savings accounts. However, they also found that only 28 percent of those offered the accounts decided to accept them. Studying Opportunity International Bank of Malawi (OIBM), Brune, Gine, Goldberg, and Yang (2010) recently produced data showing that Malawian farmers with “commitment savings accounts” had significantly higher investments in farm inputs, but because the study group is only farmers, it is not at all clear how these impacts would play out in other livelihood groups offered similar accounts. Thus in the savings studies as well there seem to be very different responses from different groups.

The conclusions we can draw from these studies are limited. It seems clear (and again, not very surprising) that demand for and impact of the different products is often correlated with differences in gender, education, wealth, livelihood segment, etc. That said, the studies to date do not give very fine-grained or particularly insightful segmentations of their study samples. It is not always easy in academic studies to get sample sizes large enough to do this. There are fundamental limits as to what RCTs can tell us regarding how different individuals or groups respond to a single treatment. Nevertheless, it would appear that a rich direction for future research would be to frame the academic evaluations of financial products more along the lines of how marketers and practitioners would frame them, by focus-

^{*} Commitment accounts allow clients to lock up funds until certain conditions are met, in this case, until a certain time period had passed.

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— Jake Kendall,
Bill & Melinda Gates
Foundation

Box 3: There is No “Silver Bullet”—The Poor are Diverse and so are their Needs for Financial Tools, continued

ing on distinct customer segments and assessing the uptake or impact among these different groups.

In a possible exception to the above trend, Jack and Suri (2010) document that, after its launch in 2007, the M-PESA money transfer and e-wallet product reached over 70 percent of all Kenyan households and over 50 percent of the poor, unbanked and rural populations by 2009. New accounts have even grown by 40 percent since then. The researchers have preliminary results indicating that M-PESA users are better able to maintain the level of consumption expenditures, and in particular food

consumption, in the face of negative income shocks. While it's almost certainly true that, here again, different segments of clients have different uses for the product, clearly most Kenyan households have some financial need that M-PESA fulfills, and by connecting people with the ability to transfer funds, M-PESA may simply be allowing them to transact with a wider and more diverse set of counterparties who can help with whatever particular need they may have.

Jake Kendall is a Research Fellow at the Bill & Melinda Gates Foundation and is based in the USA.

Financial Access versus Poverty Alleviation

One possible reason why a large number of microfinance clients does not yield large numbers of people moving out of poverty in these studies is that poverty alleviation no longer figures into the objectives of many microfinance institutions. Carlos Danel, co-founder of Banco Compartamos in Mexico, worries that we set ourselves up for failure when we talk about alleviating poverty. While Compartamos is participating in a RCT that will seek to determine the types of impact that Compartamos has on its clients, Danel warns against overselling the results of microfinance. “We will lose momentum if we set the bar too high in terms of social benefit. Supplying financial services is good enough. We are supplying a needed service.”

John Hatch, however, sees this as abandoning our purpose. “We keep defining ourselves away from our original mission,” he says when asked about his greatest concerns for the field today.

Jamie Bedson, former Lead Coordinator of the Banking With The Poor (BWTP) Network in Asia, wonders, “Do we talk about financial inclusion just to avoid talking about poverty alleviation?” He recalls a meeting he participated in to plan a conference in Asia. “We had a commercial bank representative with us and he saw the term ‘poverty alleviation’ and he said ‘Take this out. The people that really do microfinance know that it has got nothing to do with poverty alleviation.’”

Ingrid Munro, founder of Jamii Bora, shows how organizations with the underlying mission of poverty alleviation often end up taking on tasks that go beyond providing access to finance:

A rich direction for future research would be to frame the academic evaluations of financial products more along the lines of how marketers and practitioners would frame them, by focusing on distinct customer segments and assessing the uptake or impact among these different groups.

*— Jake Kendall,
Bill & Melinda Gates
Foundation*

What I think is very important to understand is that microfinance alone is not enough, but microfinance together with other support, with access to other types of services, like health insurance, housing, et cetera, that is what gets people out of poverty.
— Ingrid Munro, Jamii Bora

You know, in Jamii Bora, we started with microfinance and already within a year we realized that our members needed health insurance, because those who were defaulting, we found that many had the same problem. Over 90 percent had a family member in the hospital. There is no mother in the whole world who will let her child die because she has to pay her microfinance loan. So we realized that this is not something we can fight with, we have to do something about the real problem. So we started our own health insurance, and we have been running it for almost 10 years. That has played a very important role. Then we began working to help our members start climbing out of the business of selling vegetables. Most of our members start with selling vegetables. It is a good business for them because it is the only thing they have been able to buy, so they know what the cost for a good potato is and what the cost for a soggy potato is. And then they diversify, so we started our business school because we realized that our members, as they started climbing, needed to understand the difference between money that is needed for ongoing business expenses and what is real income. They need to start planning to get into more sophisticated businesses. So that's why we started our business school. And when they have climbed far enough then they also want to get out of the slums because they know that their business can only grow to a certain extent and then there is no space and no capacity for them to grow. And that is why we started our housing project and building our new town with better space for housing and better space for their business. What I think is very important to understand is that microfinance alone is not enough, but microfinance together with other support, with access to other types of services, like health insurance, housing, et cetera, that is what gets people out of poverty.

Robert Christen, Director of Financial Services for the Poor at the Bill & Melinda Gates Foundation, sees the financial inclusion agenda as one that needs to be supported by those focusing on poverty alleviation and worries about the dilution of energy when the two groups unproductively criticize each other. “There is confusion about what it will take to produce financial inclusion,” he says. “There is a lack of concentrated focus on access. We’re having a premature conversation about the character of that access instead of working together to make sure that financial inclusion reaches everyone. I’m afraid the financial inclusion agenda will get hijacked before we reach the poor, that countries will move down the ladder a little bit and then say they’re done. We need to work together to achieve a vision of providing financial services to something like 80 percent of the 2 billion adults that live on less than US\$2 a day.”

The Microcredit Summit supports this vision of ensuring that all those living on less than \$2 a day have access to financial services, but we won’t stop there. Our vision is to see people living on less than \$1.25 a day move out of poverty. We know that for many of them it will require access to financial services, but it will also require access to other important services as well.

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The Perils of Rapid Growth

Another reason that growth in clients may have compromised the effectiveness of microfinance as a poverty reduction strategy is that commonly adopted growth strategies have led MFIs to operate in ways that stunt positive impact and even create possibilities for harming clients. Many of the industry observers we talked with expressed concern at the unbridled growth in some countries and its negative consequences.

David Roodman, Senior Fellow at the Center for Global Development, explains how growth of institutions created to serve low income clients could end up hurting them when the environment becomes more competitive. “When it is an empty world and you are the first microcredit provider, that is a far different situation than when you have 10 different microcredit organizations competing with each other. When microcredit was young, we were in an empty world and individual competitors did not have to deal so much with competitive dynamics. What was working great in that context may not carry over as well to a competitive context. People are not realizing that the world around them has changed. Maybe they’re thinking, ‘We’ve been doing this for years and it’s worked; why don’t we just keep doing this?’ without realizing that the world around them is no longer empty, it’s full.”

“We are seeing evidence of dog-eat-dog competition,” says Jeffrey Ashe, Director of Community Finance at Oxfam America, “and with it comes pushing too much money on people and lack of transparency. The rush to grow and make lots of money leads some to collection practices that abuse clients.”

In the past two years, this unbridled growth has led to failures or takeovers of distressed MFIs in Bosnia, Nicaragua, Pakistan and Morocco. Adrian Gonzalez, Lead Researcher at the Microfinance Information Exchange (MIX), has studied these failures in depth. “I can’t find any direct correlation between MFI failure and high growth rates, unless the rates are very high, like 200 percent a year. What I did find, though, was a *correlation between market saturation and the likelihood that an MFI would fail* (emphasis ours). When clients have available loans from many lenders, payment discipline can begin to break down, leaving some organizations vulnerable.”¹¹

Investors play a significant role in encouraging and fueling this growth. Sanjay Sinha, General Manager of M-CRIL based in India, outlines some of the steps that connect the financing mechanisms with what he considers uneven growth of one credit model at the expense of better service to clients.

According to Sinha, investors want to see high growth rates, profits and the potential for scale; some MFIs respond by stripping down their operations to only one or two credit products and try to grow these products as quickly as possible.

¹¹Xavier Reille, “The dark side of competition: credit risk and market penetration”, Microfinance Gateway, 2/25/10, <http://microfinance.cgap.org/2010/02/25/the-dark-side-of-competition-credit-risk-and-market-penetration/>.

We are seeing evidence of dog-eat-dog competition and with it comes pushing too much money on people and lack of transparency. The rush to grow and make lots of money leads some to collection practices that abuse clients.

— Jeffrey Ashe,
Oxfam America

Everyone is chasing growth, and that growth is leading to them competing for the same clients and the whole program going off the rails, leading to over-indebtedness and generating huge risks for the MFIs themselves.
— Sanjay Sinha, M-CRIL

They also tend to operate in easier-to-reach areas in order to minimize costs and maximize profits. This dynamic leads to many organizations working in the same area, all with incentives for their loan officers that are tied to disbursements and collections. Often, systems do not keep pace with growth, and the lack of a credit registry for microfinance means that clients can obtain loans from several providers at the same time or take out one loan to pay off another.

Sinha writes more about his concerns with the potential negative impacts of commercial investments in **Box 4**, but as someone involved in rating MFIs, he is finding that increasing rates of operating risks accompany rapid growth. “We are seeing the same phenomenon everywhere. Everyone is chasing growth, and that growth is leading to them competing for the same clients and the whole program going off the rails, leading to over-indebtedness and generating huge risks for the MFIs themselves. Systems and staff development cannot keep up. In some of the faster growing MFIs we have trainee managers in new areas with all the staff designated as trainees.”

SKS Microfinance Ltd. (SKS) and its Initial Public Offering (IPO) have been at the center of this controversy. Started in 1997 by Vikram Akula, SKS has been supported by prominent investors such as billionaire George Soros and venture capitalist Vinod Khosla, founder of Sun Microsystems. It has grown at a rate of 128 percent per year and within a decade became India’s largest MFI, serving 7.5 million clients in the middle of 2010. At the end of July 2010, SKS held an IPO which raised US\$358 million and valued the company at \$1.6 billion, or 6.7 times the book value and 40 times its 2010 earnings.

Like the IPO of Compartamos in Mexico three years earlier, the SKS IPO and the wealth it generated for its management team and investors has stirred considerable controversy in India and abroad.¹² Some see this as a great way to attract capital to a neglected sector of the economy while others see it as a grave danger that may stunt the push for quality micro-savings products and provoke regulators and the media to attack microfinance and question its overarching social purpose and outcomes.

When interviewed in September of 2010, just after the IPO and just before the crisis in Andhra Pradesh, Nachiket Mor, President of ICICI Foundation for Inclusive Growth and the former leader of ICICI Bank’s major investments in microfinance, considered the controversy over the IPO as terrific news.

What is needed now is for more players to come in and to start to push the envelope faster. And if there is a disaster to be had, if there is a bubble to be burst, then I think the bubble has to be built and then burst. There is no way to anticipate it. If you go slow in anticipation of it, that is tantamount to denial of essential services. I frankly am quite excited about these IPOs. Without the IPOs,

¹²For example see the Oxford-style debate between Vikram Akula and Alex Counts at the Asia Society (<http://asiasociety.org/business-economics/development/can-profit-motive-improve-microfinance>) and the discussion between Vikram Akula, Muhammad Yunus and Mary Ellen Iskenderian at the Clinton Global Initiative (http://www.clintonglobalinitiative.org/ourmeetings/2010/meeting_annual_multimedia_player.asp?id=83&Section=OurMeetings&PageTitle=Multimedia).

people were still getting overcharged relative to the risk, but nobody was talking about it and people just thought it was something that was quite normal because the costs of operations were so high for all MFIs. But you can't make that argument any more, how is the market paying your \$2 billion market cap if that is true? Now there are market analysts that are saying, that is not true, these guys have a return on assets that is over 10 percent, against a regular bank that is 2 percent. As they say, sunshine is the best disinfectant. I think we will see many more players competing and bringing these rates down to the customer.

Others are not as sanguine as Mor. David Porteous, President of Bankable Frontiers, worries about the long term consequences of negative publicity portraying abusive collection practices and people getting rich by providing loans to the poor. “These headlines around the IPOs are not helpful,” he says. “They can fuel a public view of microfinance organizations as rapacious lenders. This could lead the public and investors to shy away, causing volatile funding swings. Without proper protections in place, we could leave the field to a new generation of loan sharks.”

Porteous' concerns seem to have come true in India, where, following the SKS IPO the local media focused their stories on the negative consequences that fast growth of MFIs and market saturation have had on some microfinance clients, including reports of clients committing suicide because they could not repay the loans they had received from multiple lenders. The state government responded with a strict law on how MFIs can lend and collect money, and local political leaders encouraged clients of MFIs to not repay their loans.

A recent front page story in the *New York Times* carried the headline “India Microfinance Sector Faces Collapse from Defaults.” The story begins, “India’s rapidly growing private microcredit industry faces imminent collapse as almost all borrowers in one of India’s largest states have stopped repaying their loans, egged on by politicians who accuse the industry of earning outsized profits on the backs of the poor.” The story quotes Vijay Mahajan, chairman of microfinance lender Basix and of the Microfinance Institutions Network in India, as saying “In their quest to grow, [MFIs] kept piling on more loans in the same geographies. That led to more indebtedness, and in some cases, it led to suicides.”¹³

Andhra Pradesh, a state in southern India with more than 76 million inhabitants, has become the epicenter of this controversy. Most of the largest Indian MFIs have their headquarters in the state, and much of their growth has occurred within the state’s boundaries. A recent study on the crisis found that “Andhra Pradesh in particular seems highly leveraged in the hands of most microfinance customers.”¹⁴ The study shows that the total number of loans given by banks and MFIs in Andhra Pradesh exceeds the number of poor households in the state.

¹³Lydia Polgreen and Vikas Bajaj, “India Microfinance Sector Faces Collapse from Defaults”, *The New York Times*, 11/17/10, <http://www.nytimes.com/2010/11/18/world/asia/18micro.html>.

¹⁴N Srinivasan, *Microfinance India: State of the Sector Report 2010*, SAGE Impact, 2010.

These headlines around the IPOs are not helpful. They can fuel a public view of microfinance organizations as rapacious lenders. This could lead the public and investors to shy away, causing volatile funding swings. Without proper protections in place, we could leave the field to a new generation of loan sharks.

— David Porteous,
Bankable Frontier

[The crisis in Andhra Pradesh is] entirely self-inflicted. They had a dress rehearsal four years ago in Krishna District, but MFIs made no substantive changes to their practices and indeed have largely reduced their clients to numbers—there is no real MFI-client relationship any more. The problem in India was eminently avoidable if MFIs had been less greedy and had focused on a double bottom-line.
— Graham Wright,
MicroSave

The crisis in Andhra Pradesh is “entirely self-inflicted,” says Graham Wright, Director at MicroSave. “They had a dress rehearsal four years ago in Krishna District, but MFIs made no substantive changes to their practices and indeed have largely reduced their clients to numbers—there is no real MFI-client relationship any more. The problem in India was eminently avoidable if MFIs had been less greedy and had focused on a double bottom-line.”

Writing in the Huffington Post, Beth Rhyne, Managing Director of the Center for Financial Inclusion, assigns blame for the Andhra Pradesh crisis a little more widely. “The blame for this unfortunate situation falls most squarely on the MFIs that failed to restrain aggressive growth even as the market became increasingly saturated. Investors must also swallow a big spoonful of blame. Because they paid dearly for shares in the MFIs, they need fast growth to make their investments pay off. The divvying up of blame doesn’t stop there, however. Perhaps the most important target is the public sector policy environment that has treated microfinance institutions as orphan children of the financial sector rather than helping them to build solid foundations. In fact, the environment in which MFIs have grown up could almost have been expressly designed to promote over-lending.”

Rhyne describes how government policy prohibited MFIs from taking deposits. “Deposit-taking, properly supervised, would have allowed the MFIs to raise funds locally, both from clients and others in their neighborhoods. It would have created a balanced portfolio of products and revenue sources, rather than exclusive reliance on the micro-loan mono-product. When clients have a place to save (and banks have an interest in promoting savings) they may be less likely to fall into debt traps.”¹⁵

This issue of how we fund growth in microfinance—and what impact that has on institutions and clients—will affect microfinance for a long time to come. The following pages present four different views on IPOs and their impact, positive and negative, on the industry. Vikram Akula tells us why he thinks the poor will benefit from SKS’s IPO and Sanjay Sinha tells us the risks involved for the poor and the industry (**Box 4**); Carlos Danel updates us on what has happened in Compartamos and microfinance since their IPO in April of 2007, while Dale Adams explains why he thinks this is the wrong strategy for funding microfinance (**Box 5**).

¹⁵Elisabeth Rhyne, “On Microfinance: Who’s to Blame for the Crisis in Andhra Pradesh?”, Huffington Post, 11/2/2010, http://www.huffingtonpost.com/elisabeth-rhyne/on-microfinance-whos-to-b_b_777911.html.

Box 4: Will the SKS IPO Help or Harm the Poor in India?

Vikram Akula: Saying “Yes” to People Looking for an Opportunity

One day a very poor woman came to me, emaciated, her sari torn. She had walked a great distance to ask me whether we could start loans in her village. When I told her no she looked me in the eye and said, “Am I not poor, too? Do I not deserve a chance to get my family out of poverty?”

Her question led me to begin working on a way to attract enough capital so that I would never have to say no to any poor person who’s simply asking for an opportunity. We set up SKS to run as a commercially viable business, one that could attract investment from the commercial market. Using the market to supply our capital, we have been able to reach 7.5 million clients in just 12 years. Reaching that sort of scale increased our operating efficiency, which has allowed us to lower our interest rates. Our IPO now allows us to grow even more and reach more clients, while continuing to decrease our rates.

After our IPO came a strong political backlash against microfinance. I think any time you disturb vested interests, like the relationships in In-

Sanjay Sinha: Failure is a Real Possibility

By March 2010, MFIs in India claimed to serve 27 million clients or around 20 percent of the 135-140 million families estimated to be excluded from the financial system and the overall portfolio of around US\$5 billion could represent a substantial contribution to stabilizing the lives and livelihoods of financially excluded families.

Over 70 percent of the funds deployed in this portfolio have come from commercial banks. In order to raise this \$3.6 billion, MFIs have had to generate sufficient equity to provide prudential assurance to lenders that owners of the borrowing companies were sharing the risk. SKS played a pioneering role in generating such capital. With ambitious growth targets and great persuasive skill, SKS was able to obtain initial investments from social investment funds, then private equity investors and eventually from the public through the IPO — an effort that was revolutionary in the microfinance world.

In the process, SKS did microfinance and low income households a major disservice. It sold

dia between politicians and the poor, there will be a backlash.

I do not see a dichotomy between good social development and ethical business. At SKS we have always talked about doing what is right by the customer. For example, we don’t incentivize our loan officers for loan size. We want them to give the loan that is the right size for the customer. We make less money in the short term by doing this, but over the long term this leads to a long term customer relationship, benefits for the customer and increased shareholder value.

From a client perspective, it does not matter whether the investors are earning very high profits or not. What matters to them is, are they getting a loan on time, can they generate income, and can they get their families out of poverty? What we see from our clients, at 45 percent increase in income per year, is that they are getting higher returns on investment than the investors get.

Vikram Akula is the Founder and Chairperson of SKS Microfinance in India.

dreams (in the form of over-ambitious growth targets), obtaining unbelievable valuations of the order of seven times book value for its equity. Other large MFIs soon followed, copying the SKS growth model. Multiple lending was inevitable and over-indebtedness followed.

Just months after the IPO, SKS drew attention back to microfinance by sacking its CEO. The timing of this sacking raised its own questions about the transparency of microfinance promoters. Discovery by the media of instances of coercive collection by MFIs from over-indebted clients has triggered the expected political backlash. At the time of writing, a draconian state-level law has brought microfinance in Andhra Pradesh — the cradle of Indian microfinance — to a halt. Will microfinance survive the crisis? At the time of writing, failure is a real possibility...

Sanjay Sinha is Managing Director of Micro-Credit Ratings International Limited (M-CRIL) in India.

Box 5: Are IPOs a Good Source of Funds for Microfinance?

Carlos Danel: What Has Changed and What Remains the Same

What has changed since the Compartamos IPO?

That is one of the top questions we have been getting since April 2007, and is more relevant now than ever because after almost four years, we can have better perspective.

And even though there are many answers, in this short space we can only give a short answer: in some ways, a lot has changed, and in others, not so much.

The most significant changes are around growth. We now serve more than three times as many clients, with a more diversified portfolio, including our first saving efforts. Our interest rates have continued to decrease with our improved efficiencies, and our pricing model is more sensitive to cost and risk. We now compete with a larger group of better institutions all around Mexico, pushing our products and services to be better suited for our clients.

But what remains the same is our commitment to be a social enterprise generating three types of

value: social (financial access to as many people as possible in the shortest amount of time), financial (with above average returns) and human (striving to give all stakeholders an opportunity to be better individuals). We still serve mostly women (98 percent) in rural and suburban Mexico with US\$400 loans (approximately 4 percent of GDP per capita). We still strive to lead the way in building a transparent industry (both in pricing and performance) and still try to contribute to public knowledge as much as we can.

But after years of debate on IPOs, it seems we need to move on. We know that there are many ways of financing growth, and the capital markets are a powerful one, but not the only one. We need to move from focusing on the institutions and their quibbles, to focusing on the clients and their needs.

Still so much to do.

Carlos Danel is Co-founder and Executive Vice President of Banco Compartamos in Mexico.

Dale Adams: Reservations about IPOs

Proponents of IPOs argue that they tap international capital markets for new funds that can be used to diminish poverty through additional lending.

There are several problems with this argument. First, MFIs don't need to tap international capital markets to fund their lending. Grameen Bank II and Bank Rakyat Indonesia, for example, have a surfeit of funds for lending provided by voluntary deposits. In both cases, more poor people benefit from deposit services than benefit from borrowing. The possibility of doing IPOs deflects some MFIs from capturing deposits.

Second, flying an altruistic flag over an IPO is unseemly. IPOs are attractive to investors because of the retained earnings (and donations) these organizations accumulate. From where do these retained earnings come? They come out of the hides of the poor women who borrow from these lenders. Instead of adjusting their interest rates downward, the possibility of doing an IPO induces insiders to sustain high interest rates in order to later inflate private gains. There is soph-

istry involved in arguing that one is taking advantage of one group of borrowers through high interest rates, doing an IPO and then taking advantage of additional poor women by charging high interest rates on their loans to support share prices.

Third, I'd be less concerned about IPOs in microfinance if lending was boosting large numbers of poor people out of poverty. The meager economic results documented by recent randomized control trials suggests that little boosting is occurring. If most of the borrowers use loans to stabilize consumption, and few of them manage dynamic enterprises that grow, these results are understandable.

Fourth, persistently high interest rates, accompanied by IPOs, are lightning rods for demagogues. The microfinance industry can ill afford being viewed as a way for a few insiders to enrich themselves at the expense of the poor.

Dr. Dale W Adams is a Professor Emeritus at the Ohio State University in the USA.

Back to Client Focus

So what can we do to ensure that microfinance is returned to the right track and is known again for the good that it does and not for the harm, that financial services are provided in a way that helps people move out of poverty rather than staying mired in it?

The Smart Campaign provides a good place to start. Promoted by the Center for Financial Inclusion and CGAP, the campaign “is a global effort to unite microfinance leaders around a common goal: to keep clients as the driving force of the industry.” The campaign has developed a set of six client protection principles and asked for MFIs and investors to endorse and implement these principles. “Microfinance industry participants have responded overwhelmingly to the call to uphold these principles in their daily operations. So far, nearly 1,000 key players have endorsed the principles and are making the commitment to protect their clients,” says Beth Rhyne, Managing Director of the Center for Financial Inclusion.

Monique Cohen, President of Microfinance Opportunities, suggests we go beyond client protection and begin paying a lot more attention to our clients’ needs and aspirations. “Right now we’re a lot more attuned to investor demands than we are to client demands.”

Robert Christen concurs and sees a better understanding of clients and their cash flows as one of the most exciting things happening in the field today. “There is a more robust understanding starting to permeate about clients and the variety of their financial needs. People seem to be finally coming back to the clients a little bit, understanding a more nuanced view of the role of finance in people’s lives.” Christen cites the use of financial diary research and the publication of *Portfolios of the Poor: How the World’s Poor Live on \$2 a Day*¹⁶ as a major contributor to this change.

Cohen agrees that the data from this type of research gives us a much better understanding of clients. “We are beginning to see flows within families and between people. We are starting to know what clients do with their money when special needs or economic shocks happen to the family. The problem is that very few organizations are using this data to develop products that match the cash flow needs of their clients.”

A closer look at clients and their cash flows, based on financial diaries, helps us understand a little more about what is going on in clients’ lives. *Portfolios of the Poor* by Daryl Collins, Jonathan Morduch, Stuart Rutherford and Orlanda Ruthven gives us a fascinating view into the challenges of managing incomes that are small, irregular and unpredictable. It shows how people living in poverty must become incredible financial managers just to survive. **Box 6** provides a thumbnail sketch of four people chronicled in the book.

¹⁶Published by Princeton University Press, 2009.

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— Robert Christen,
Bill & Melinda Gates
Foundation

If Feizal could have relied on an insurance product, paying small amounts dispersed over time, he would have had the incentive to seek early, high-quality care at a much lower cost.

— Portfolios of the Poor

Box 6: Portfolios of the Poor

Below are abridged cash flow stories of several people in *Portfolios of the Poor*. They show the complex financial lives of people living in poverty.

Feizal, Uttar Pradesh, India—Feizal’s ten-member family lives on a household monthly income of US\$36, largely comprised of his earnings selling aluminum pots and supplemented by his son’s earnings as a tailor’s apprentice. His wife and daughters roll bidis (cheap cigarettes) to sell. Although their income is low, the family stowed away significant savings in preparation for one daughter’s wedding.

When Feizal fractured his thighbone, the family suddenly found itself without its main breadwinner. He had no insurance, and because he did not want to spend the money that he had saved for his daughter’s wedding, he went to a less expensive, traditional doctor. But the break got worse, and the family was forced to spend nearly \$250 (two-thirds of their income for a whole year) on a modern doctor and hospital fees. Feizal’s father paid for the rest, and Feizal finally went back to work eight months after the accident.

During Feizal’s health crisis, the family’s financial net worth deteriorated but did not turn negative. They avoided taking on expensive, interest-bearing loans to make ends meet, and instead drew down savings, took small interest-free loans from friends and neighbors, and used shop credit to buy household goods.

In the end, though, the costs of the accident—both the direct cost of treatment and the indirect cost of lost wages—pushed the family deeper into poverty. If Feizal could have relied on an insurance product, pay-

ing small amounts dispersed over time, he would have had the incentive to seek early, high-quality care at a much lower cost.

Thembi, South Africa—Thembi is 50 years old and lives in a South African township. Her monthly income is \$169: \$114 from her disability grant and \$55 from her part-time job. When her brother died from tuberculosis, Thembi was solely responsible for the \$1,413 funeral expense. While this cost may seem high, the fact is that funerals are very important in the South African culture and are expensive in proportion to annual income. The South African financial diaries suggest that households need to spend about seven months’ income on a single funeral.

Thembi was a member of an informal burial society, a type of insurance for funeral expenses, but it didn’t cover the whole cost. She also belonged to a savings club but didn’t have enough savings to cover the remaining expenses. Thembi patched together additional informal loans from relatives and grants, but still fell \$92 short. She could have sought a formal loan from a bank, but her irregular income and the small amount needed made her an unattractive loan candidate. Thembi decided to avoid the costly expense and added stress of visiting the bank where she would most likely be rejected anyway, and took out an interest-bearing loan from her cousin’s savings club. She spent the remainder of the year trying to pay back her loans. She paid back the burial society loan within two months but failed to pay back her family or savings club by the end of the year.

Hamid and Khadeja, Bangladesh—Hamid and Khadeja live in a Dhaka

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Box 6: Portfolios of the Poor, continued

slum with their young son. Their home consists of cement block walls and a tin roof; they share bathroom and kitchen facilities with eight other families. Hamid is a part-time motorized rickshaw driver; Khadeja supplements his unpredictable income with earnings as a seamstress. On average, the couple earns \$70 per month—20 percent of which is spent on rent and much of the rest on food. The family of three survives on an uncertain \$0.78 per person per day.

Despite their modest income, Hamid and Khadeja are active money managers. Far from living hand-to-mouth, they have reserves built into six different instruments. During the research year, the family “pushed” \$451 of their income into savings, insurance, and loan payments and “pulled” out \$514 from either savings, taking out a loan or guarding money for others. Their total turnover of \$965 was, in fact, larger than their annual income of \$840. Although their net worth was negative, the amount was small relative to their total annual income, and their debt service ratio—the proportion of their monthly income to debt repayments—was manageable.

Khadeja spoke of the necessity of managing their finances judiciously: “I don’t really like having to deal with other people over money, but if you’re poor, there’s no alternative. We have to do it to survive.” The couple is illiterate and innumerate, thus, all

records are kept in their heads; yet records are accurate. When asked how they managed to keep track of all the transactions, Khadeja said, “We talk about it all the time and that fixes it in our memories.”

The household’s balance sheet includes a microfinance loan that Khadeja took out to buy gold—a secure, reliable asset that she could use in the event that Hamid could no longer support her. Khadeja felt that she didn’t have the self-discipline to save up for the gold on her own, so a microfinance loan was the only way for her to acquire a large enough sum to purchase it. The fact that the loan could be repaid in small weekly payments made it manageable, and being accountable to the microcredit provider meant she would repay.

The loan allowed her to use a year’s worth of small weekly payments to achieve a single big lump of savings, but the interest rate on the loan meant that she was essentially paying to save. Khadeja would have been better served by access to a commitment savings product that held her accountable to save in the same way her microfinance loan held her accountable to repay.

Source: The website for Portfolios of the Poor: How the World’s Poor Live on \$2 a Day by Daryl Collins, Jonathan Morduch, Stuart Rutherford and Orlanda Ruthven, Princeton University Press, 2009. www.portfoliosofthepoor.org

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— Portfolios of the Poor

Serious people are taking a sustained run at savings, both analytical work and experimentation.
— Richard Rosenberg, CGAP

Moving Beyond Credit

The next step to ensure that microfinance generates greater movement out of poverty is to do what Cohen suggests and design financial products that meet the cash flows of people living in poverty. The stories of Feizal, Thembi, Hamid and Khadeja show us the broad range of financial services needed by people living on small and unpredictable incomes, including savings, insurance and larger enterprises that provide regular employment.

Savings: What gets Richard Rosenberg, Senior Advisor at CGAP, excited these days? “Serious people are taking a sustained run at savings, both analytical work and experimentation.”

The National Bank for Agriculture and Rural Development (NABARD) has supported client-run savings groups in India since 1992. NABARD is the apex development bank in India for agriculture and rural development. NABARD has played a central role for more than a decade in pioneering the Self-Help Group (SHG) movement in India, under which poor and poorest women organize themselves into groups. The SHG members save and lend among themselves and also manage the affairs of their groups. The mature SHGs are linked to the formal banking system, which has an extensive branch network throughout the country to bolster their resources. NABARD has reported dramatic growth in the number of clients it serves through the SHG system.¹⁷

Table 2: NABARD Client Growth since 1997

Year	Total Clients	Poorest Clients
1997	146,166	58,613
1999	560,915	224,927
2001	3,992,331	1,600,925
2003	10,760,400	8,608,300
2005	24,277,140	19,421,070
2007	40,949,622	32,759,697
2010	67,914,000	54,330,000

Starting in 2002, Grameen Bank has added enhanced deposit products to its mix of financial services (which have included savings in one form or another since 1976). Using financial diary research to design new products for its clients, Grameen developed Grameen II, which offered more flexible loans and four new deposit products. When Grameen introduced the new products in 2002, it had

¹⁷Some of NABARD's partners (banks and NGOs) are also members of the Microcredit Summit Campaign and submit their Institutional Action Plans. In order to avoid double counting, a portion of the figures reported by these agencies has been subtracted from the figures of NABARD. After these calculations, NABARD accounted for 65,876,580 total clients, 52,701,264 of whom were among the poorest when they started with the program. These calculations were first performed in 2002, were updated in 2006 and once again in 2010. The updated calculation is based on data collected from institutions in India that have overlap with NABARD. These institutions were asked what percentage of their SHGs were bank linked (i.e. included in NABARD's figures). On the basis of this research, a reduction of 3.15% from NABARD's figures was taken into account when calculating the total clients, total women, poorest clients and number of poorest women.

US\$197 million in loans outstanding and \$170 million in deposits.¹⁸ At the end of 2009, it had \$816 million in loans outstanding and \$1.3 billion in deposits.¹⁹

“Most people don’t realize how much of a revolution Grameen II has been,” says Stuart Rutherford, founder of SafeSave. “When Grameen started this change, its growth was stagnant. It took Grameen 27 years to reach 2.5 million members and only three years to double that after introducing these new products.” This revolution required changes in almost every aspect of Grameen’s work, including enhanced savings products, flexible loan products and an incentive and recognition system for staff that was closely linked to client outcomes.

The community-managed savings group model (also known as village savings and loan associations, or VSLAs) represents another successful approach to providing savings services to the very poor. In this system, self-managed groups save a set amount each week, lend the money to group members who request it, decide together what interest rate they will charge and split the profits at the end of the year based on the amount that each had saved. These programs now reach over 2 million savings group clients in 22 countries with support from CARE, Plan International, Oxfam America, Catholic Relief Services and the Aga Khan Foundation.²⁰

Jeffrey Ashe highlights the advantages of this model. “We’re beginning to have high level penetration to the rural poor using a savings-led approach, and we’re developing better systems for training large numbers of savings groups. Once we have done the initial training, these groups can keep going on their own. On average it costs us only \$20 per group member to set up a savings group.”

CGAP cites several other innovations being tested for expanding access to savings services, including linking savings groups to formal bank accounts, integrating savings groups with value chains (such as an Oxfam program in Ghana that links shea nut growers with fair trade companies) and setting up flexible savings accounts targeted at farmers.²¹

In many countries, though, regulatory controls prevent microfinance organizations from taking savings deposits, and the banks licensed to accept savings are not interested in serving the poor. Making savings services as available for low income people as credit services will require regulatory innovation that expands access while also protecting depositors. Created in 2008, the Alliance for Financial Inclusion (AFI), seeks to bridge this gap. AFI is a global network of financial inclusion policy makers in developing countries. This network aims to provide central banks with the tools and resources needed to develop and implement proven financial inclusion policies.

Using financial diary research to design new products for its clients, Grameen developed Grameen II, which offered more flexible loans and four new deposit products. When Grameen introduced the new products in 2002, it had US\$197 million in loans outstanding and \$170 million in deposits. At the end of 2009, it had \$816 million in loans outstanding and \$1.3 billion in deposits.

¹⁸Stuart Rutherford, “MicroSave Briefing Notes on Grameen II #2: Member Savings,” 2005 (http://www.microsave.org/briefing_notes/grameen-ii-2-member-savings). For an in-depth look at Grameen II see *The Poor Always Pay Back* by Asif Dowla, Kumarian Press, 2006.

¹⁹“Grameen Bank Balance Sheet (1983-2009) in USD”, http://www.grameen-info.org/index.php?option=com_content&task=view&id=179&Itemid=424.

²⁰Jennifer Singer, “Background on VSLAs”, Briefing Note, MasterCard Foundation, 2008. http://www.themastercardfoundation.org/pdfs/VSLA_Website_Brief.pdf.

²¹Microfinance Gateway Staff, “Innovations in Savings Services in Rural Sub-Saharan Africa”, Microfinance Gateway, 10/18/2010, <http://www.microfinancegateway.org/p/site/m/template.rc/1.26.14353/>.

Insurance: Feizal, Thembi, Hamid and Khadeja illustrate the need to insure against financial shocks in the future. With the development of the partner-agent model using MFIs as a delivery channel, microinsurance began to take off in the late 1990s. In 2009, over 78 million people living in the 100 poorest countries in the world were covered with some kind of insurance policy.²²

Microinsurance helps to protect clients against shocks that could lead them back into poverty, such as illness, death of a family member or loss of property. A survey by the MicroInsurance Centre found many types of insurance that are available to poor households, including coverage for health, property, life, crops and livestock. Crop insurance products show the potential to reach many people in rural areas where farming is the dominant source of income. Richard Leftley describes the potential and the pitfalls of this particular product in **Box 7**.

More than 60 percent of the working poor make their living from agriculture, yet in many countries, microfinance has yet to have a significant impact in the rural sector. The risks of rural lending are significant but so can be the impact on the poor.

— Richard Leftley,
MicroEnsure

Box 7: Crop Insurance and Helping the Rural Poor

More than 60 percent of the working poor make their living from agriculture, yet in many countries, microfinance has yet to have a significant impact in the rural sector. The risks of rural lending are significant but so can be the impact on the poor.

The original motivation for weather insurance was to see if insurance could unlock credit, if credit could unlock access to seeds and fertilizer and if those inputs could then lead to significantly higher yields. In 2004, MicroEnsure worked with farmers in Malawi to test this hypothesis and proved it correct, discovering that insurance could unlock credit, which ultimately lead to increased yields of around 200 percent.

Traditional insurance products relied upon a field assessor to visit the farmer to determine the yield and hence whether an insurance payout was due. While this approach can work for farmers with larger plots, the premiums that a small holder pays for her insurance is less than the cost of sending the assessor. The solution to the problem of cost lay in building a weather index. Weather

index products work in the following way:

- Start by working out what the major risk faced by the farmer is, for example, drought, excess rain or typhoon.
- Calculate what the impact of these events is on yield (i.e., the resulting loss of yield for every millimeter of rain below the optimum).
- Collect a historical data set and use that data set to determine how likely the event is to occur; this enables you to arrive at a price for the insurance sold for that crop in that location.
- Determine how far from the rain gauge your farmers can be and still buy the insurance product, assuming that the rain at the gauge is similar to the rain in the field.
- Collect regular measurements of the rainfall or wind speed at the location and calculate every week whether a payment has been triggered.

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²²Jim Roth, Michael J. McCord and Dominic Liber, "The Landscape of Microinsurance in the World's Poorest Countries," MicroInsurance Centre, LLC, 2007.
<http://www.microinsurancecentre.org/UploadDocuments/Landscape%20study%20paper.pdf>.

Box 7: Crop Insurance and Helping the Rural Poor, continued

The beauty of these products is that once you set them up they are very simple to administer. The farmer does not even need to fill out a claim form as the data is tracked centrally, and a claim is automatically triggered on the farmer's behalf. As these payments are made every week or 10 days, the farmer does not have to wait until harvest time to get paid and in some cases can use the payout to purchase new seed and, therefore, not miss the planting season entirely.

Our experience in Malawi back in 2004 led to products being implemented in Rwanda, Tanzania, India and the Philippines for a range of triggers and for a range of crops. But these products are not the "silver bullet" that many had hoped for, and in most cases, the pilot tests have failed to reach more than 5,000 farmers. There have been cases where farmers have experienced more or less rain than that recorded at the gauge or had crops destroyed by pest and disease and the insurance has not paid out; this "basis risk" remains. In many cases, the weather index pilot test remains just a pilot and has not

been scaled up.

Perhaps the two most significant reasons for this failure to scale are lack of suitable data required to price and run the product and also issues around affordability / pricing. The fact is that all of us underestimate weather risk, and small holders are no different. Experience has shown that the actuarial price for these products is around 10 percent of the loan value, yet farmers are willing to pay only 3 to 5 percent of the loan for insurance.

Premium subsidies as used in India to reach scale or products that are less expensive will be needed if these products are to reach their full potential and some encouraging work on using the number of dry days in a month rather than the absolute rainfall are yielding success in reducing basis risk and the price paid by the farmers for the insurance products.

Richard Leftley is President and CEO of MicroEnsure and is based in the UK.

Small and Medium Businesses: "If you zoom out to look at 'how do countries become rich and really reduce poverty on a large scale?' it has happened largely through small, medium and large enterprises, which create jobs," says David Roodman. Maybe Feizal, Thembi, Hamid and Khadeja could benefit even more from a regular job and regular income that this type of enterprise might provide. While the initial thrust of microfinance was to assist people who were unemployed or self-employed and had little chance for wage employment, the question is, can microfinance contribute more than it has thus far to the process of scaling up small, medium and large businesses and become a source of employment as well as income?

"I think microfinance can be an incubator of some sort," says Carlos Danel, co-founder of Compartamos. "I think we need to do a lot better job of tending to that so-called missing middle. Maybe we won't do it ourselves, because we're not an SME lender. We know how to lend US\$300 to \$500 to clients that are in subsistence microenterprises. Maybe we'll leave it to others to fill that market void."

Can microfinance contribute more than it has thus far to the process of scaling up small, medium and large businesses and become a source of employment as well as income?

Indeed, while some MFIs have successfully incorporated SME lending into their suite of products, others have struggled to do so effectively and have had to deal with high delinquency rates and questions about mission drift.

In **Box 8** below, Muhammad Yunus describes another approach for filling that market void, developing social businesses that provide products needed by the poor while at the same time creating employment opportunities.

So why can't we have businesses that reflect these other parts of us, social businesses that measure success by positive changes in peoples' lives?
—Muhammad Yunus,
Grameen Bank

Box 8: Social Business is Selfless Business

Most businesses today are run based on the assumption that people are selfish and make decisions that maximize their own profit. This is a very one-dimensional view of humans. Real human beings are multi-dimensional; we have many things we value. While part of us can be selfish, another part can be selfless. So why can't we have businesses that reflect these other parts of us, social businesses that measure success by positive changes in peoples' lives?

We don't like poverty, we don't like people being in ill health, we don't like people dying at childbirth, we don't like people living in squalor, in ghettos, in slums, we don't like that — nobody likes that but we can't do anything about that if we are too busy making money for ourselves. On the other hand, if you are in a “selfless” business, you can do that, you can create a business to change conditions that we deplore.

A social business seeks to change the world without giving charity. Charity is a great idea, but the problem with charity is money goes out and never comes back. In a social business the money becomes endless. Recycling profits, you can continue expanding to reach more people. That is the strength of the social business.

So what makes a business a social business? First is its mission. It should seek to improve the lives of the poor in some specific way. So-

cial business is a business to solve a problem, not just a business to do good to people in general. You have to have very specific ideas about what you want to do, so you start with the problem first and design a business on how to attack that problem. For example, if maternal death is your problem, then you design a business on how to eliminate maternal mortality.

Second, a social business does not make a profit for the investors. Earnings from these businesses should be channeled back into increased benefits for the poor. Owners declare upfront that they will never take any dividend out of the company. This focuses all the work of the business on solving the problem, because the idea of making money for investors has been removed.

So who would invest in a business if they can't make any money? People who care about other things. And it turns out that includes some very large corporations, like the Danone Food Company. Grameen has developed a joint venture social business with Danone to address the problem of child malnourishment. We produce yogurt that contains all the micro-nutrients that children are missing. We make this very cheap, so that poor mothers can buy it for their children. If a child eats this yogurt over eight to nine months, the child regains all of the micro-nutrients and becomes a healthy, playful child. Danone doesn't make any

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Box 8: Social Business is Selfless Business, continued

money out of this business, but they do get to help address the problem of malnourishment in Bangladesh.

Another company we partner with is Adidas, the German shoe company. We are creating the Grameen Adidas Company, which will soon provide shoes for less than US\$1 to poor people in Bangladesh. This will have an impact on health, because poor people suffer diseases like hookworm that come through the skin of their feet. We want to make shoes so that children and adults can afford to wear them all the time.

First and foremost, a social business is a product of imagination, of recognizing a problem and coming up with a creative solution and then addressing that problem on a small scale. If we come up with imaginative ideas and implement them as

social businesses, we can solve many problems. It might start very small, five people employed, five people got out of unemployment, five people got out of sickness, five people got safe housing. The moment you have done it in a small way, you have developed the miracle seed, and now the seed can grow and be planted all over the world.

Does this sound too idealistic? Maybe so, but then again, this is how microcredit began. Microcredit didn't come to the whole world; it came to one village, and today it's a global phenomenon because many of us worked to develop that seed. Social business is the same way. All we have to do is develop the first seed.

Muhammad Yunus is Founder and Managing Director of Grameen Bank in Bangladesh.

Lifting Other Constraints to Movement out of Poverty

For many microfinance clients, financial services alone will not be enough for them to complete their journey out of poverty. Christopher Dunford sees the provision of microfinance products as the starting point for providing a wider range of social services.

We have the potential to establish an infrastructure that delivers more than finance. When you start to focus on the social value of microfinance, then you start to realize that you have to get into these other sectors—it can't be just finance by itself. You can be very effective in delivering financial services, but if your clients face other constraints it would appear that you are not doing anything.

Communities of the poor are often operating in isolation to the external world, and the poorer they are, the more isolated they are. What microfinance has done more than any other sector is to penetrate that barrier on a large scale, to push through that membrane that separates these isolated communities from the outside world. The MFI hired people to go from the office into the community and create a relationship of considerable trust with that community, turning their credit officers into social intermediaries.

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*— Christopher Dunford,
Freedom from Hunger*

Microfinance has created channels, recognizable brands, and confidence in market segments that other businesses did not look at before. Based on what we have done, we can bring in others to provide the other services that our communities need. We need to stay focused on what we do best.

— Carlos Danel,
Compartamos

The larger group-based microfinance creates an aggregation of the poor into a cost-effective point of service. And that combination of a cost-effective point of service and a social intermediary that can connect that point of service to the outside world, and to do that in such a way that it pays for itself, creates a channel for access to a much larger world beyond the microfinance institution. That social intermediary has the potential to connect people in ways that we haven't really fully explored. You've created an infrastructure of social value that can serve a variety of purposes. That group of women can play a role in their community that goes beyond the fact that they're taking loans and making savings deposits. It can play a community development role and be a force for change within the community. It can become a point of service for other organizations. We have seen a lot of spontaneous connections taking advantage of the fact that people are coming together by other agents of change, educators or health workers or agricultural extension agents. So I guess what I would envision is that if microfinance can continue to create that kind of infrastructure where there really is a relationship of caring and trust established between the institution and the client, you're likely to see a fairly impressive impact over time, in a generation or two, in the way the poor relate to the outer world and vice versa.

Danel agrees with Dunford that microfinance clients often need additional social services but he just does not see a microfinance bank as the best organization to take on the additional tasks. “Microfinance has created channels, recognizable brands, and confidence in market segments that other businesses did not look at before. Based on what we have done, we can bring in others to provide the other services that our communities need. We need to stay focused on what we do best.”

Whether MFIs provide the services themselves or collaborate with others to provide the services that help eliminate other constraints faced by their clients may depend both on the organizational ethos of the MFI and the development of effective methods for integrating the services. The Microcredit Summit Campaign has initiated a *Financing Healthier Lives* project to train a group of microfinance institutions to integrate health education into their client training programs. **Box 9** contains an update of the results of that work.

Box 9: Microfinance as a Platform for Health Education

The Microcredit Summit Campaign launched its Financing Healthier Lives Project in 2002. The project aims to build a global group of microfinance institutions capable of providing health education training to their clients in a sustainable manner and reach over half a million clients affecting some 2.5 million family members.

In March 2009, the Campaign released an updated version of its report outlining how microfinance can be used as a platform for health education. This strategy has proven effective at enhancing clients' movement out of poverty, especially in situations where microfinance alone is insufficient. The document, titled *Financing Healthier Lives*, makes the case for a global expansion in the use of microfinance as a platform for health education and other health services.

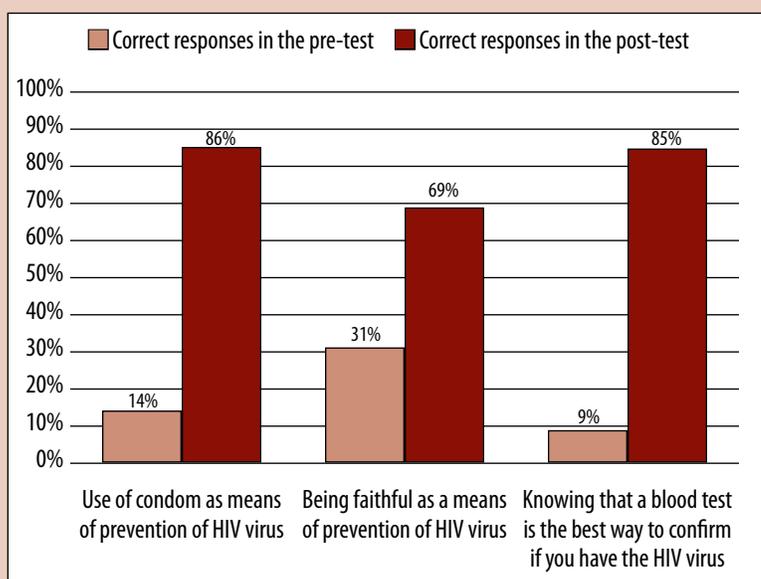
Much of the initial work on this project has been centered in South India where the Campaign has trained in-country trainers and partnered with four organizations to reach more than 30,000 microfinance clients

with health education. The four organizations are Star Microfin Service Society (SMSS), People's Multipurpose Development Society (PMD), Pioneer Trad and McLevy Institute of Development Services (MIDS). SMSS is an MFI operating in Andhra Pradesh, whereas the remaining three are NGOs based in Tamil Nadu. The clients have received education in the following six topics in their local language: 1) HIV and AIDS prevention; 2) Integrated Management of Childhood Illnesses (IMCI); 3) Women's Health; 4) Infant and Child Feeding; 5) Healthy Habits and Planning for Better Health and Using Health Care Services; and 6) Malaria Prevention and Treatment.

In early 2010, the Campaign expanded its work to North India where it is working with CASHPOR Microfinance to implement a pilot project covering 9,000 clients with education in IMCI and Women's Health. Encouraged by the extremely positive feedback from its field workers and clients, CASHPOR is planning to triple its outreach to 30,000 clients.

The project aims to build a global group of microfinance institutions capable of providing health education training to their clients in a sustainable manner and reach over half a million clients affecting some 2.5 million family members.

Figure 2: Clients' Knowledge about the HIV Virus



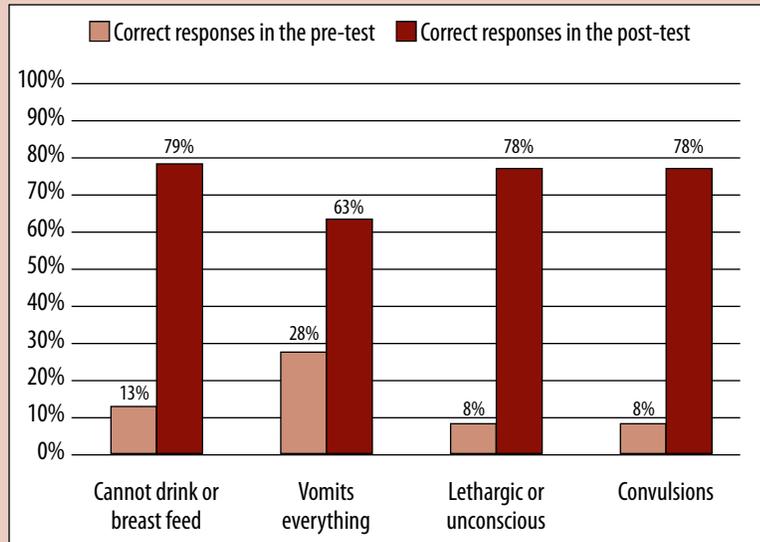
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Box 9: Microfinance as a Platform for Health Education, continued

The following graphs illustrate the Campaign's findings from the work in India and demonstrate that important client-level outcomes are achieved when MFIs integrate health education. For example, data showed improved knowledge of malaria and HIV and AIDS as well as positive be-

havior change to mitigate the risks associated with these illnesses. Similar positive results were shown with respect to pre- and post-natal medical check-ups of pregnant women. Clients have also shown improved confidence in preparing for future health expenses.*

Figure 3: Clients' Knowledge about Critical Danger Signs in Children



Source: *Financing Healthier Lives*, Microcredit Summit Campaign, 2009.

A team of UCLA Executive MBA students recently evaluated this project and published a 2010 report that recommended expansion of the initiative because of its benefits to clients and the partner institutions. The report also underscored the need to deepen its work on measuring knowledge gains and behavioral changes in clients and their families. The Campaign has begun laying the groundwork for a more in-depth study of these changes and hopes the additional data will go a long

way in convincing many more MFIs worldwide to introduce and scale up health integration.

* The project's independent third-party evaluators randomly surveyed 400 members from all project participants across all four organizations. The selected members were given a questionnaire prior to and at the conclusion of both the HIV and AIDS and IMCI education modules. Incomplete or illegible surveys were excluded from the final tally.

Anna Awimbo is a Consultant and Dr. D. S. K. Rao is the Asia Regional Organizer at the Microcredit Summit Campaign.

Sir Fazle Abed has been focusing on lifting people out of dire poverty since he started BRAC in 1972 and has shown that the visionary institution can do many things well, all in the service of ending poverty. He created a learning organization, as honest about its failures as it is modest about its success. Today, BRAC in Bangladesh reaches eight million microfinance clients. It also has a literacy program for all these clients, health programs delivered through rural

health workers, 28,170 schools providing education for 860,000 children and a bank that provides savings facilities and loans to small and medium businesses.

BRAC has also started a program called Challenging the Frontiers of Poverty Reduction Targeting the Ultra Poor. This program focuses on those it sees as too entrenched in poverty to feel comfortable taking out a loan. It provides a living stipend while the participant receives literacy education, skills training and the assets to start an income-generating activity like animal husbandry or vegetable growing. Eventually, the participant is able to leave the program and avail herself of the financial services provided by BRAC. With the support of CGAP and others, this model has been adapted and replicated in countries as diverse as India and Ethiopia. In Haiti, Fonkoze (the country's largest MFI) achieved 96 percent success rate with its ultra-poor pilot and secured a major grant from the MasterCard Foundation to scale it up throughout the country.

In addition, BRAC has begun implementing microfinance programs in other countries, including Afghanistan, Pakistan, Sri Lanka, Liberia, Sierra Leone, Southern Sudan, Tanzania and Uganda. BRAC serves over 500,000 clients through these international programs.²³

We interviewed Sir Abed to learn more about the BRAC approach of using microfinance as a channel for a range of services that help people starting at different points to make the journey out of poverty (**Box 10**).

BRAC's work with the ultra-poor demonstrates the role of the inner transformation that many microfinance clients experience as they move out of poverty. Recent research on what goes on inside people's heads as they engage in economic transactions sheds some light on the way in which microfinance, combined with other services, can support this inner journey. The section following Box 10 highlights recent research by Paul Zak, a neuroeconomist at Claremont Graduate University in California.

Box 10: Interview with Sir Fazle Abed of BRAC

What excites you about microfinance today?

Microfinance is the most exciting thing that has happened to poor people over the last 30 years. We have worked with the poor in a way that honors their dignity, and we have shown that poverty alleviation is not a give-away thing.

What concerns you about microfinance today?

There is a lot of greed coming into microfinance. A lot of people wish to make a lot of money out of it, and that worries me a little bit. I also [understand] the other side of it — when return on investment is high, more money will flow into the sector ... I just don't think that people should make money out of poverty.

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²³"BRAC at a Glance", Issue: June 2010, <http://brac.net/content/stay-informed-key-statistics>.

Box 10: Interview with Sir Fazle Abed, continued

I think we still have a long way to go in reaching people, particularly poor people in remote areas, rural areas, and so on. That remains a great challenge.

You came into microfinance as a poverty alleviation tool ...

[Yes], we came to microfinance by looking first at integrated rural development, looking at people for their health, education, employment [and] savings. We actually started a savings program before we started giving credit.

I have always felt that poor people have very short time horizons to think about — daily bread, daily needs. They can't think more than 24 hours at a time. I thought the thing to do was to start savings because that would give a person a longer time frame to think about, not just one day.

What about the randomized control trials (RCTs) that have been done to measure the impact of microfinance? Largely they have shown very limited impact, sort of mixed results, and yet in BRAC you have millions of people coming back for loans year after year. How do you reconcile your experience with the results of these studies?

I understand that RCTs may be scientifically quite good to have, but microfinance works best when you have done it for a number of years. With the first microcredit taken by a woman, she has immediate consumption needs, so she buys those things which she needs most [but] doesn't show a great deal of improvement in either nutrition or health or welfare. But we found in a longitudinal impact study [from] 1999 to 2005 that you can see significant results in somebody's income and welfare if somebody has taken three

loans and the quantum of the loans is more than US\$400.

Does microfinance help a poor person lift herself out of poverty, or is it microfinance combined with other things that does that?

Microfinance has to be combined with other things like health and education. When going into a new area, [get] microfinance ... working right and then you can provide education and health care and other things.

The unique thing about microfinance is that it creates...capital that can be leveraged to supply other development services. We have eight million women meeting together every week in 300,000 Village Organizations. They know how to invest money, pay it back and save for the future. They know how to work together. Because of their work with us, they now know how to interact with formal institutions. So that forms the base for addressing the other constraints that they [face], and it also provides the scale you need to develop [viable] programs.

That sounds complicated. Shouldn't a microfinance organization focus on what it does best, financial services, and let others focus on the other needs?

I think that is too limited a way to think about what we do best. The basic spirit of microfinance is to search for possibilities based on knowledge, understanding and perspectives that start at the ground level. We understand our clients and their needs. We know how to select clients, enforce contracts, manage money, develop systems and deploy people and resources on a very large scale. There is no reason why we cannot use those same skills to address the other constraints our clients face.

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Microfinance has to be combined with other things like health and education... The unique thing about microfinance is that it creates...capital that can be leveraged to supply other development services.
— Sir Fazle Abed, BRAC

Box 10: Interview with Sir Fazle Abed, continued

In BRAC, we saw that many women were stuck in low-return activities. We saw that many were involved in poultry but were not making much money because of diseases, so we trained a person in each Village Organization to do vaccinations, treat basic diseases, and train in proper feed and hygiene. These people get paid for the services they provide to the women who raise chickens. Between the growers, advisers and sellers, they have created almost two million poultry jobs.

We did something similar with basic health care. We trained a person from each Village Organization ... to provide basic health information and advice. They each cover 300 households and sell nonprescription medication, bring pregnant mothers in for check-ups and help mothers bring their children in for immunization. We have 80,000 volunteers covering 64 districts and a population of 92 million.

We've added other things, too. Economic development for adolescents, training in legal rights, programs for commercial sex workers, primary schools that have trained 4 million students, and programs aimed at those too poor to make good use of our financial services.

How can someone be too poor for microfinance?

Our Research Division looked at those who dropped out of our program and found that most of them were among the poorest. This group tended to borrow far smaller amounts, do so less frequently and have more problems with repayments. We worked with donors to develop a program that targeted the ultra-poor.

It starts with a ration card for food, plus training in business skills and money management. Over time, we provide them with a small loan and then seek to graduate them to our microfinance program. So far, about three quarters of them have graduated. CGAP did a study on this program and found that the average subsidy per woman was US\$135. As more and more of these women graduate into the microfinance program, we hope to recoup these subsidies.

What is BRAC doing with small and medium businesses?

You need to create jobs for poor people [in addition to making] them social entrepreneurs. [For this reason], I asked a group of donors [for] money to start a small and medium enterprise lending program, and this has been very successful in creating new jobs for people. We set up a bank in Bangladesh and it is creating jobs on a fairly large scale, \$1.2 billion now for small enterprises.

Are you able to use technology in a way that lowers your costs and helps you get out to more rural areas?

This is my hope. In the next three to five years in Bangladesh, almost everybody, including our poorest clients, will have access to a cell phone. BRAC has already got a license from the Central Bank to set up a mobile cash management system. In other words, all these 30 million Bangladeshi microfinance borrowers will have access to mobile payments, and then we will be able to cut down the costs of delivering financial services to the poorest people in the remotest areas.

We trained a person in each Village Organization to do vaccinations, treat basic diseases, and train in proper feed and hygiene. These people get paid for the services they provide to the women who raise chickens. Between the growers, advisers and sellers, they have created almost two million poultry jobs.

— Sir Fazle Abed, BRAC

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It is wonderful to see all the changes that are happening and in the right direction. Some people have said that as you grow older you get more and more pessimistic, but I get more optimistic the older I get.
— Sir Fazle Abed, BRAC

Box 10: Interview with Sir Fazle Abed, continued

Do you think this will create a push to more individual lending, or will the group programs continue?

The group programs will still continue, but face-to-face time with people will diminish a bit and we will have to find another way of meeting them. Right now, 8.2 million people in Bangladesh meet BRAC staff every week. That is too costly. I would rather meet these 8.2 million people once a month and cut down [their] travel. We can collect their money and stay connected to them through cell phones. They will be able to transact business among themselves

through their cell phones. I think tremendous efficiency comes out of this, on their side as well as our side.

It sounds like you are looking forward to what comes next.

I just hope I live long enough to see this happen. It is wonderful to see all the changes that are happening and in the right direction. Some people have said that as you grow older you get more and more pessimistic, but I get more optimistic the older I get.

Sir Fazle Abed is Founder and Chair of BRAC in Bangladesh.

We have discovered this molecule called oxytocin that lives in the human brain and is particularly potent in making us care about the outcomes of others. When someone trusts you with their money intentionally, the brain releases this molecule.
— Dr. Paul Zak, Claremont University

Neuroeconomics and Its Lessons for Microfinance

Paul Zak is Professor of Economics and the founder and Director of the Center for Neuroeconomic Studies at Claremont Graduate University in California. His research looks at what is going on in the brain as people make economic decisions and has led to some important discoveries. The first is the importance of trust in the economic development of nations. “Trust is the big gun economists had been looking for,” Dr. Zak says. “It’s really the most powerful lever we have found to date on why countries are rich or poor. When trust is high, everything in the society works well. When we can shake hands and do a deal, then economies grow faster.”

He has also found that trust is built on empathy, the ability to see and feel something from someone else’s point of view. Through the neuroanalysis he conducts in his lab he has found that empathy has a chemical component. “In the last five years, we have discovered this molecule called oxytocin that lives in the human brain and is particularly potent in making us care about the outcomes of others. When someone trusts you with their money intentionally, the brain releases this molecule.”

He has also found that the brain can stop releasing this chemical when under stress. “If you’re under enormous survival stress, then the system shuts down and you go into this ‘I need to take care of the next two hours’ mode.”

Dr. Zak’s research gives new insight into what is happening with a survivor of decades of poverty as she first enters a microfinance program. A lifetime of experience may have taught her that she cannot trust people with money. Survival may mean avoiding risks wherever possible. Yet now she is meeting with people

who will trust her with their money and a group of peers who will guarantee her ability to pay it back. She starts small, fearful of what could happen if she fails, but, week by week, as she makes her payments and discusses her financial activities with others, she begins to open up to trust again. She starts to trust herself to be able to make plans and carry them out and to find others she can trust and work with in positive ways. It may take her a long time to undo many years of harsh experience, but at least she has begun a path that can open her to new possibilities.

This research also highlights the psychological harm that can be caused by microfinance institutions that do not create relationships of trust with their clients and end up using their clients to enrich themselves.

Introducing a Seal of Excellence

Enabling people to lift themselves out of poverty means accompanying clients on their long journey, helping them to discover what stands in their path and to find ways to overcome those obstacles. Institutions that take on this task recognize that their job is not done when a client pays back a loan or establishes a savings account. Instead, they seek to embed those financial services in a web of connections, support, training and other services that address the constraints that keep their clients mired in poverty.

The Campaign believes that the industry needs a way to recognize those institutions that take on the vital task of enabling transformation and demonstrate the commitment and ability to assist their clients in moving out of poverty. Shining a spotlight on those achieving excellence in poverty alleviation will help the industry develop best practices for this area and help direct subsidized resources to areas where they are needed most and can do the most good.

By the time you read this, we will have been floating the idea of creating a Seal of Excellence for nearly a year, gathering input from industry leaders from across the world. Sam Daley-Harris describes the origins of this idea:

During a visioning dinner at the April 2010 Africa/Middle East Regional Microcredit Summit in Kenya, I realized the depth of my commitment to the transformational dimension of microfinance. Several days later, I delivered a speech in Spain outlining a vision for bringing the transformational dimension of microfinance back to its center. The speech²⁴ echoed aspirations and concerns that have been voiced with increasing urgency by microfinance stakeholders over the last several years and supported the idea of reinventing microfinance that has been gaining momentum and was articulated in the 2008 article “Reimagining Microfinance”²⁵ by

The industry needs a way to recognize those institutions that take on the vital task of enabling transformation and demonstrate the commitment and ability to assist their clients in moving out of poverty.

²⁴“Launch of Spanish National Host Committee. Remarks by Sam Daley-Harris”, Microcredit Summit Campaign, 4/14/2010, <http://www.microcreditsummit.org/news>.

²⁵See *Stanford Social Innovation Review*, Summer 2008, p. 46. Access online at http://www.ssireview.org/articles/entry/reimagining_microfinance.

Alex Counts of Grameen Foundation and published in the Stanford Social Innovation Review, among other places.

Coincidentally, the speech was delivered at the same time as an article by Neil MacFarquhar titled “Banks Making Big Profits from Tiny Loans” was published on the front page of the New York Times. Key questions raised in the article included “how much interest and profit is acceptable, and what constitutes exploitation” and whether microfinance institutions were staying true to their poverty-fighting missions or drifting off course.

I shared my speech delivered in Spain with a small group of U.S.-based leaders in the microfinance field: Susy Cheston, Senior Director at World Vision; Alex Counts, President of Grameen Foundation; Chris Dunford, President of Freedom from Hunger; Matt Flannery and Premal Shah, CEO and President, respectively, of Kiva; and Chuck Waterfield, CEO of MicroFinance Transparency. Meeting by conference call every month beginning at the end of April 2010, this nascent Steering Committee has been exploring the possibility of developing a “Seal of Excellence” for microfinance. From the beginning, the discussion has focused on a partnership with other key initiatives such as the Smart Campaign on client protection, the Social Performance Task Force, MicroFinance Transparency on interest rate transparency, the MIX on financial indicators, and others and identifying a small number of additional indicators that recognizes achievement in terms of benefitting poor clients and achieving pro-poor missions, as distinct from being simply “transparent” or “doing no harm” in the sense of adhering to client protection measures. Initial discussions have revolved around a seal of excellence that takes into account an institution’s social and financial performance, their pricing (including interest rates on loans), their client protection efforts, their success in targeting and reaching the very poor, their ownership and governance structures (including the degree of client involvement), limitations on private benefit and other areas which, taken together, point to an institution that is making concrete and recognizable efforts to have microfinance aspire to be about more than transactions but about transforming the lives of low-income individuals, families and communities.

To give you a flavor of some of the early views on this idea, we present the following summary of a conversation with leaders working in microfinance client protection and social performance: Beth Rhyne of the Center for Financial Inclusion and Smart Campaign, Laura Foose of the Social Performance Task Force, Chuck Waterfield of MicroFinance Transparency and Frances Sinha of EDA Rural Systems in India (**Box 11**).

Box 11: A Discussion of the Seal of Excellence with Industry Leaders

On November 11, 2010, Beth Rhyne, Laura Foose, Chuck Waterfield, Frances Sinha and Sam Daley-Harris held a conference call to discuss the need for a Seal of Excellence in the microfinance field and the logistics of its implementation.

“There is a need for some certification, some line to say to the outside world, ‘These are our goals,’” asserted Waterfield. A Seal of Excellence is needed—and quickly—“because the reputation of the microfinance field is declining almost by the day.”

Although social performance and specifically rating initiatives currently exist, there is no unified sector statement on what qualifies as good microfinance. On the call, participants discussed the ways in which the Seal of Excellence could either complement or integrate such efforts as the Social Performance Task Force (SPTF), the Smart Campaign, and MicroFinance Transparency.

Laura Foose explained that the SPTF “stakeholders [have] different goals in microfinance. There is a very strong camp that sees ‘inclusion’ and ‘access’ as the ultimate goal. Another group [focuses on] improving the lives of clients.” Compared to the broad-based SPTF approach, Foose sees the Seal of Excellence as “top-down, ...[targeting] a spectrum of MFIs looking at improving client lives as their ultimate objective.”

Beth Rhyne explained that the Smart Campaign has also “started the process of talking about certification, creating a Certification Taskforce. We are taking a modular approach: you could treat Consumer Protection as a module you include as part of a social rating, a financial rating or a stand-alone client protection

certification. The Smart Campaign role in the process is to certify the certifiers [who will be] determining whether MFIs are implementing the Client Protection Protection principles.”

Rhyne contrasted the approaches of making information transparent and that of providing a specific certification. “What [MFTransparency has] been doing is getting information out—[focusing on] transparency and reporting. The bar is in the eye of the beholder. [The Seal of Excellence] is putting a bar in place and deciding if a given MFI is above or below it.”

Challenges and Concerns

“[The Seal of Excellence] is addressing a group of MFIs working with the ultimate objective, Is this improving the lives of the poor?” summarized Foose. “These MFIs are looking at the transformational aspect of microfinance, which ... many MFIs are not interested in.” She conceded that “A bar of excellence is something necessary for the future, but we need to know what we should expect. Let’s get the data first to help us understand what good performance is.”

In agreement, Rhyne said, “One reason the Smart Campaign has been so successful in getting approval so widely, is because there was already consensus on what Client Protection is.” The process for the Seal of Excellence will be more difficult because “We’re not at a point where we can agree on all indicators or methods of evaluation.”

Rhyne suggested that for “practical considerations it should be an award rather than a Seal. An award can still emphasize the transformational dimension, can highlight very inter-

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The reputation of the microfinance field is declining almost by the day.
—Chuck Waterfield,
MFTransparency

Box 11: A Discussion of the Seal of Excellence with Industry Leaders, continued

esting things some are doing that might not show up in the indicators. [Plus] it's more practical, ...and can showcase aspiration" without having to deal with the "machinery of certification."

How Other Initiatives have Overcome Challenges

Frances Sinha and Chuck Waterfield cited lessons learned from initiatives in other fields as well as from MFTransparency, which faced similar concerns regarding how to build credibility. Sinha studied the organizations I-Seal and Global Impact Investing, among others, to draw from their experiences. "There are some fair trade certification efforts, but they're very weak because it's based on self-reporting. The message is, you can't rely on self-reporting; you need clear indicators, a clear, systematic certification process." On a positive note, however, "looking at social ratings in microfinance compared to other sectors, we're fairly advanced."

For Waterfield, the main lessons learned from his experience developing MicroFinance Transparency was to "keep time, effort, cost minimal; keep data very focused." The peer pressure element is especially important. "We need to create a situation where if you haven't participated, judgment is already made," said Waterfield. "This gets rid of the first-mover disadvantage."

In Implementation, How Would the Seal of Excellence Work?

The first step would be supporting the Smart Campaign, said Foose. "It could be interesting to go to MFTransparency countries and introduce the Client Protection Principles. Then take it a step further; find out how many have signed onto Client Protection Principles and

how many have implemented them. Then ultimately we can get to the higher standards that Social Performance Task Force is promoting." Rhyne pointed out that "you can't look at self-reported data by itself with any validity. You need third party verification. Who's going to pay for this third party?" A potential solution could be to train rating agencies to make third party assessments of the Seal as part of a social rating.

In conclusion, Sam Daley-Harris asked, "Are our efforts, whether it's a seal or an award, sufficient to address what's challenging the field right now and [do they] create a higher vision that's discernible on the ground? The Smart Campaign, the Social Performance Task Force, and other initiatives are all critical, are all needed, and there might also be some areas that are missing. When taken together there might be a meta project that would most clearly point to MFIs that lift up the transformational dimension of microfinance.

"Now in 2010, most of the news [about the microfinance sector] is negative," he observed, most recently the farmer suicides in Andhra Pradesh in India. "Hopefully, this would be an antidote to these stories."

Thank you to Beth Rhyne, Managing Director, Center for Financial Inclusion and the Smart Campaign; Laura Foose, Coordinator, Social Performance Task Force; Chuck Waterfield, CEO and President, MicroFinance Transparency; Frances Sinha, Managing Director, EDA Rural Systems; and Sam Daley-Harris, Founder and Director, Microcredit Summit Campaign.

When taken together there might be a meta project that would most clearly point to MFIs that lift up the transformational dimension of microfinance.

— Sam Daley-Harris, Microcredit Summit Campaign

Survey Methodology

The Microcredit Summit Campaign has collected data for the *State of the Microcredit Summit Campaign Report* for 13 years and has verified that data beginning in 2000. The process consists of (1) the circulation of Institutional Action Plans (IAPs) to thousands of practitioners, requesting their most recent data; (2) a phone campaign to more than 400 of the largest MFIs in the world to encourage submission; (3) a verification process seeking third-party corroboration of the data submitted by the largest MFIs; (4) data compilation and analysis; and (5) the writing and publication of the report. This process has, for more than a decade, produced the largest primary-source collection of data from MFIs available.

In most cases, the data presented in this report is submitted by individual institutions. Some data, however, comes from network or umbrella institutions. To prevent double counting, the Campaign analyzes the data from these institutions to identify any potential duplication from their partners. Whether data from network or umbrella institutions is counted or not, they continue to play a critical role in facilitating data collection from their affiliates, and the Campaign is extremely grateful for this support. For a complete list of the networks and other institutions that provided crucial assistance in the collection of data this year, go to **Endnote I**.

As of November 22, 2010, 7,346 institutions and individual supporters were members of the Microcredit Summit Campaign's 16 councils. Of that number, 3,589 MFIs (plus 88 Practitioner Networks) from 145 countries were members of the Council of Practitioners and have submitted an action plan at least once since 1998. In 2010, 723 practitioner institutions submitted an IAP, including 146 that had previously never done so. The 723 practitioners that submitted an IAP in 2010 had 94.6 percent of all the poorest clients reported. This means that the data in this report is 94.6 percent current, and the remaining 5.4 percent is one or more years old. To view a complete list of the institutions and individuals that submitted an IAP in 2010 only, go to **Appendix III**.

Practitioners were asked to furnish data that is critical in measuring progress toward fulfilling the Campaign's two goals. The IAP outlines a common set of strategic objectives and creates an easy way for institutions to share their plans and accomplishments. The IAP is the basic building block of the Campaign. In this year's IAP, the data provided includes questions such as 1) the total number of active clients (clients with a current loan) and 2) the total number of active clients who were among the poorest when they received their first loan. We requested answers to these and other questions for the following time periods: December 31, 2009 (actual), December 31, 2010 (proposed) and December 31, 2011 (proposed). To see the Institutional Action Plan format for Practitioners in developing countries, go to **Appendix IV**.

In 2007, the Campaign began asking for the number of clients who have crossed the US\$1.25 a day threshold. Due to a more rigorous strategy for collecting and

The 723 practitioners that submitted an IAP in 2010 had 94.6 percent of all the poorest clients reported. This means that the data in this report is 94.6 percent current and the remaining 5.4 percent is one or more years old.

verifying this data, we are only beginning, with this year's report, to present initial findings for this indicator. For further information on our work to measure movement above the US\$1.25 threshold, go to **Box 2**.

Each year, the Campaign emphasizes that all data is self-reported. However, Microcredit Summit Campaign staff review all Practitioner IAPs that are received. Any institution with questionable data is asked to clarify its responses, and if the questions are not resolved, the questionable data is not included in the report. In addition, there is a third-party verification process, which is described below.

Clients Reached

By December 31, 2009, 3,589 MFIs²⁶ reported reaching 190,135,080 clients with a current loan. Of these clients, 128,220,051 were among the poorest when they started with the program. Approximately 91.4 percent of the poorest clients reported are in Asia, a continent that is home to just over 66 percent of the world's people living on less than US\$1.25 a day.²⁷

Verification Process

In 2000, the Campaign began independently verifying aspects of the data covering the previous year. The largest institutions provide the Campaign with names of donor agencies, research organizations, networks or other institutions that can verify the total number of clients reached, the percent of all clients who are women, the number of poorest clients and the percent of poorest clients who are women. A letter is sent to potential verifiers asking them to confirm the data submitted by a given MFI. The letter says, "By confirm, we mean that you have visited the program, met with senior officials, reviewed aspects of the operation, they have provided you with numbers, and you believe that the institution and the numbers listed below are reliable and credible." For a complete listing of verified institutions, go to **Appendix I**.

In the *State of the Microcredit Summit Campaign Report 2000*, 78 institutions, representing 67 percent of the poorest clients reported, had their data verified by a third party. This year, data from 327 institutions was verified, representing 93 percent of the total poorest clients reported or 119,490,847 poorest families.

By December 31, 2009, 3,589 MFIs reported reaching 190,135,080 clients with a current loan. Of these clients, 128,220,051 were among the poorest when they started with the program.

²⁶Of these 3,589 institutions, 723 sent in Institutional Action Plans in 2010. The 2,866 remaining institutions, who represent only 5.4 percent of the total poorest reported this year, sent their data in previous years, and the Secretariat has included those numbers in this report.

²⁷According to PovcalNet, the on-line tool for poverty measurement developed by the Development Research Group of the World Bank, 1.4 billion people live below the US\$1.25 a day threshold in the Developing World, of whom 912 million (or 66.4%) are in Asia (<http://iresearch.worldbank.org/PovcalNet/povDuplic.html>).

Table 3: Results of the Verification Process (12/31/99 to 12/31/09)

Date	Number of Institutions Verified	Number of Poorest Clients Verified	Percent Verified of Total Poorest Clients Reported	Total Number of Poorest Clients Reported
12/31/99	78	9,274,385	67	13,779,872
12/31/00	138	12,752,645	66	19,327,451
12/31/01	211	21,771,448	81	26,878,332
12/31/02	234	35,837,356	86	41,594,778
12/31/03	286	47,458,191	87	54,785,433
12/31/04	330	58,450,926	88	66,614,871
12/31/05	420	64,062,221	78	81,949,036
12/31/06	327	79,181,635	85	92,922,574
12/31/07	284	84,916,899	80	106,584,679
12/31/09²⁸	327	119,490,847	93	128,220,051

This year, data from 327 institutions was verified, representing 93 percent of the total poorest clients reported or 119,490,847 poorest families.

Growth Resulting from Institutions Reporting for the First Time

Each year, the Campaign makes a concerted effort to include institutions that have previously not submitted Institutional Action Plans. In 2001, 57.8 percent of the growth in poorest clients reached came from institutions reporting for the first time covering data from December 31, 2000. A significant portion of the growth that year came from the National Bank for Agriculture and Rural Development (NABARD), which had expanded dramatically over the previous four years. As mentioned on page 24, NABARD is the apex development bank in India developing Self-Help Groups, many of which are linked to formal banking institutions. In this year's data, 6.5 percent of the growth is a result of institutions reporting for the first time covering data from December 31, 2009.

Table 4: Growth in Poorest Clients Resulting from Institutions Reporting for the First Time

Date	Percentage
12/31/00	22.0
12/31/01	57.8
12/31/02	33.8
12/31/03	27.5
12/31/04	5.8
12/31/05	6.6
12/31/06	6.8
12/31/07	4.1
12/31/09	6.5

The growth from 7.6 million poorest at the end of 1997 to 128.2 million poorest at the end of 2009 represents a growth of 1,587 percent during that twelve-year period.

²⁸In 2009, for the first time in a decade, the Campaign did not collect or verify data nor did we release a *State of the Microcredit Summit Campaign Report*, which is why there are no December 31, 2008 figures.

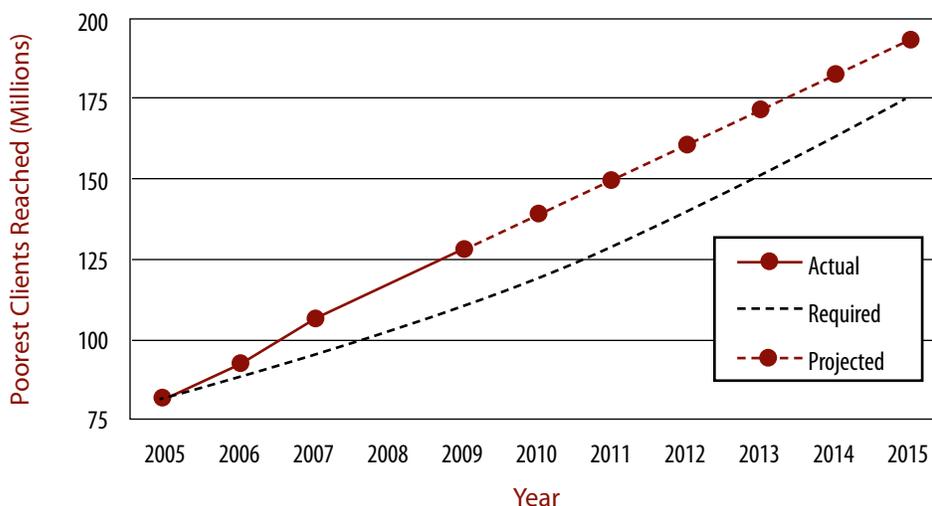
The growth from 7.6 million poorest at the end of 1997 to 128.2 million poorest at the end of 2009 represents a growth of 1,587 percent during that twelve-year period.

Table 5: Progress from 1997 through 2009

Date	Number of Programs Reporting	Total Number of Clients Reached	Number of Poorest Clients Reported
12/31/97	618 institutions	13,478,797	7,600,000
12/31/98	925 institutions	20,938,899	12,221,918
12/31/99	1,065 institutions	23,555,689	13,779,872
12/31/00	1,567 institutions	30,681,107	19,327,451
12/31/01	2,186 institutions	54,932,235	26,878,332
12/31/02	2,572 institutions	67,606,080	41,594,778
12/31/03	2,931 institutions	80,868,343	54,785,433
12/31/04	3,164 institutions	92,270,289	66,614,871
12/31/05	3,133 institutions	113,261,390	81,949,036
12/31/06	3,316 institutions	133,030,913	92,922,574
12/31/07	3,552 institutions	154,825,825	106,584,679
12/31/09	3,589²⁹ institutions	190,135,080	128,220,051

Figure 4 shows the actual growth since 2005, projected growth until 2015 and growth required to reach 175 million of the world’s poorest families by 2015.

Figure 4: Growth Trajectory (2005–2015)



²⁹The small increase in the number of institutions reporting in 2009 is due, in part, to the fact that we subtracted from the list of “practitioners” more than 88 Networks who assist with the collection of practitioner action plans but have no clients themselves.

Distribution of Clients by Institution Size

Of the 128.2 million poorest clients reached in 2009, 114.2 million of them (89.1 percent) are being served by the 76 largest individual institutions and networks reporting, all with 100,000 or more poorest clients. Table 6 shows the breakdown by size of the 3,589 institutions whose data are included in this report.

Table 6: Institutions by Size

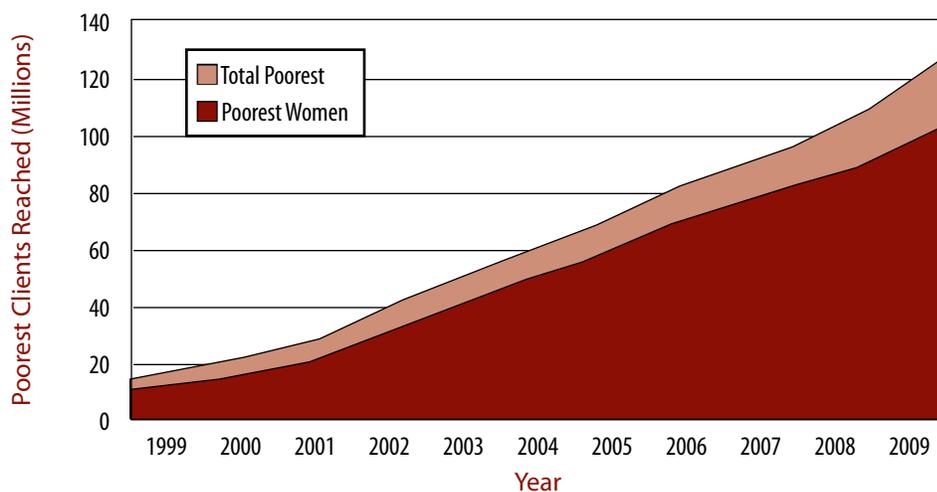
Size of Institution (in terms of poorest)	Number of Institutions	Combined Number of Poorest Clients	Percentage of Total Poorest
1 million or more	10	33,415,499	26.06
100,000 - 999,999	59	16,913,195	13.19
10,000 - 99,999	336	9,818,098	7.66
2,500 - 9,999	553	2,692,185	2.10
Fewer than 2,500	2,624	1,469,072	1.15
Networks ³⁰	7	63,912,002	49.85

Women Clients Reached

Of the 128.2 million poorest clients reached at the end of 2009, 81.7 percent or 104.7 million are women. The growth in the number of very poor women reached has gone from 10.3 million at the end of 1999 to 104.7 million at the end of 2009. This is a 919 percent increase in the number of poorest women reached from December 31, 1999 to December 31, 2009. The increase represents an additional 94.4 million poorest women receiving microloans in the last 10 years.

Figure 5 shows the growth of the number of poorest women in relation to the total number of poorest reported as receiving microloans in the last 10 years.

Figure 5: Growth of the Number of Poorest Women in Relation to Total Poorest



³⁰“Networks” include umbrella organizations providing financial support (i.e., Ananya Finance for Inclusive Growth), technical support (i.e., ACCESS Development Services, Association of Asian Confederation of Credit Unions and All India Association for Micro-Enterprise Development), promotion and development support (i.e., NABARD), and large Government sponsored programs (i.e., Bangladesh Rural Development Board and Mahila Arthik Vikas Mahamandal).

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The Use of Poverty Measurement Tools

The Microcredit Summit Campaign's greatest challenge lies in bridging the gap between our commitment to reaching the poorest families and the lack of a sufficient number of quality poverty measurement tools in use.

Beginning in 2000, the Campaign asked practitioners to indicate what poverty measurement tool they used, if any, to target or identify poorest clients. Of the institutions reporting that year, 66.6 percent (341 out of 512 institutions submitting an Action Plan in 2000) reported using a tool other than an estimate. This year, of the 723 institutions submitting data, 487 or 67.4 percent, reported using a poverty measurement tool other than an estimate.

One of those tools, the Progress out of Poverty Index™ (PPI™), a client poverty assessment and targeting tool, provides objective poverty-level data and enables MFIs to manage social performance. It is an inexpensive and easy-to-collect scorecard that is comprised of simple, non-financial indicators. The PPI was commissioned by Grameen Foundation, in collaboration with CGAP, the Ford Foundation and Microfinance Risk Management, L.L.C. to enable users to better understand their clients' needs and evaluate the effectiveness of their programs and products. In the past five years, the Grameen Foundation, in partnership with global and regional microfinance networks and industry leaders in the social performance community, has provided training, resources and support to promote adoption of the PPI. Currently, the PPI is being used by 90 MFIs and other organizations.

Regional Data

Of the 3,589 microfinance institutions that have reported to us, 981 are in Sub-Saharan Africa, 1,723 are in Asia and the Pacific and 639 are in Latin America and the Caribbean.

When collecting regional data from the Middle East and North Africa, Eastern Europe and Central Asia and North America, the Campaign uses the figures provided by three large institutions. Beginning in 2006, the report included the total number of clients from the Middle East and North Africa, provided by the Sanabel Network; Eastern Europe and Central Asia, provided by The Microfinance Center (MFC); and North America, provided by the Aspen Institute. The data from these institutions does not include information on poorest clients reached.

Some of the networks' partner MFIs are also members of the Campaign and submit Institutional Action Plans. In order to avoid double counting, the total number of clients reported by those MFIs has been deducted from the total numbers received from Sanabel, MFC and the Aspen Institute. The data reported by Sanabel represents 55 members of which 30 have reported to the Campaign. The data reported by MFC represents more than 100 members, of which 15 have

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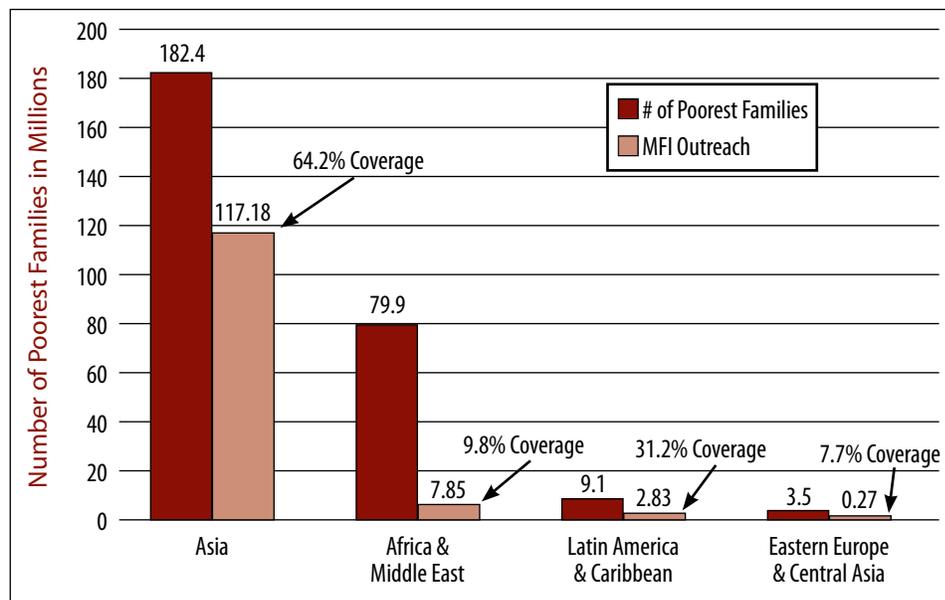
reported to the Campaign. The Aspen Institute represents 250 organizations, none of which have reported to the Campaign since 2005, and therefore, we have not taken any deductions in that instance.

Table 7: Regional Breakdown of Microfinance Data

Region	Number of Programs Reporting	Number of Total Clients in 2007	Number of Total Clients in 2009	Number of Poorest Clients in 2007	Number of Poorest Clients in 2009	Number of Poorest Women Clients in 2007	Number of Poorest Women Clients in 2009
Sub-Saharan Africa	981	9,189,825	10,776,726	6,379,707	6,360,861	3,992,752	3,935,808
Asia and the Pacific	1,723	129,438,919	156,403,658	96,514,127	117,178,142	82,186,663	97,385,541
Latin America & Caribbean	639	7,772,769	12,257,181	2,206,718	2,834,742	1,450,669	1,935,685
Middle East & North Africa	87	3,310,477	4,552,387	1,140,999	1,492,322	890,418	1,217,113
Developing World Totals	3,430	149,711,990	183,989,952	106,241,551	127,866,067	88,520,502	104,474,146
North America & Western	91	176,958	148,628	109,318	85,750	72,576	56,651
Eastern Europe & Central Asia	68	4,936,877	5,996,500	233,810	268,234	133,815	163,318
Industrialized World Totals	159	5,113,835	6,145,128	343,128	353,984	206,391	219,969
Global Totals	3,589	154,825,825	190,135,080	106,584,679	128,220,051	88,726,893	104,694,115

Figure 6 shows the relationship between the number of families living in absolute poverty in each region (i.e., those living on less than US\$1.25 a day adjusted for PPP) and the number of poorest families reported that were reached with a microloan in each region at the end of 2009

Figure 6: Regional Breakdown of Access to Microfinance³¹



³¹Figure 6 compares the regional outreach of microcredit with US\$1.25 a day poverty data found in the World Bank's *World Development Indicators* (2010) and further verified using PovcalNet (<http://iresearch.worldbank.org/PovcalNet/povDuplic.html>).

Regional and Global Summits 2009 and Beyond

The Microcredit Summit Campaign organizes the largest regional and global conferences in the field, bringing together practitioners, advocates, donor agencies, banks, non-governmental organizations and other stakeholders to promote best practices and catalyze action toward reaching our goals. The Summits are a critical part of a long-range strategy to use microfinance as a powerful means to end global poverty. Moreover, they are an occasion to bring focus to the Campaign's four core themes: 1) reaching the poorest, 2) reaching and empowering women, 3) building financially self-sufficient institutions, and 4) ensuring a positive, measurable impact on the lives of the clients and their families. Since the publication of the *State of the Microcredit Campaign Report 2009*, we have hosted two regional summits and are planning our global summit for 2011.

2009 Latin America/Caribbean Regional Microcredit Summit (Cartagena, Colombia)

In 2009, the Campaign co-hosted this regional summit with Banca de las Oportunidades in Colombia; it was attended by more than 850 delegates from 35 countries. One of the elements that made this Summit a watershed moment for the field was the inclusion, for the first time ever, of the plenary titled, *Breaking the Rules of Microfinance to Better End Poverty: Innovations from Around the World*, which featured the ground-breaking work of Anne Hastings of Fonkoze in Haiti and Ingrid Munro of Jamii Bora in Kenya. We were honored to have the participation of then-President Álvaro Uribe of Colombia and former President Alejandro Toledo of Peru as well as the First Lady of the Dominican Republic, Dr. Margarita Cedeño de Fernández, among other notable delegates.

2010 Africa/Middle East Regional Microcredit Summit (Nairobi, Kenya)

The Campaign and the Association of Microfinance Institutions of Kenya (AMFI) co-hosted the latest regional summit in Nairobi, Kenya. More than 1,200 of the world's leading practitioners and stakeholders in the field of microfinance from 85 countries gathered to share their knowledge, expertise, challenges and successes. Dignitaries in attendance included HE President Mwai Kibaki of Kenya, Queen Sofía of Spain, Princess Máxima of the Netherlands, former President Alejandro Toledo of Peru, HE Vice President Dr. Isatou Njie-Saidy of the Gambia, and the Minister of Finance and Deputy Prime Minister Uhuru Kenyatta of Kenya. Their attendance underscored the importance of microfinance as a globally recognized method for addressing poverty, helping the poor gain access to the financial services they need to achieve their goals. The Seal of Excellence concept was birthed out of discussions at that summit.

2011 Global Microcredit Summit (Valladolid, Spain)

The 2011 Global Microcredit Summit in Valladolid, Spain will be the 15th global or regional summit. The summit will be organized by the Microcredit Summit Campaign and AECID (Spanish Agency of International Cooperation for Development). During the Summit, delegates will have the opportunity to participate in six plenary sessions, more than 50 workshops, more than 30

associated sessions, a variety of day-long courses and other events. In addition, the Summit will offer delegates the opportunity to participate in field visits to leading microfinance institutions around the world to observe their work first-hand and be inspired to make a greater difference in their own context. For more information, please visit, www.globalmicrocreditsummit2011.org.

Statements from the April 2010 Africa/Middle East Regional Summit

In Africa, we have about 45 million active users on Facebook. ... In Kenya, there are three million active mobile phone subscribers, and most of them use Facebook through their mobiles. ... We did a pilot with one of the microfinance [institutions where]... every time somebody opens an account in that particular microfinance [MFI], we link it to a social networking website, saying, "This guy has opened an account," [and] it goes to his 10 friends. Now when it goes to his 10 friends, they also have a link, "Click here to also open an account in this [MFI]." ... In ten days, these [MFIs] were able to [bring] 40,000 to 45,000 new customers into these [MFIs]. ... Anytime you bring an active young user into a [MFI], ... he's going to be there as he continues growing old ...

Kamal Budhabhatti, CEO, Craft Silicon, Kenya

Grameen Koota is one of our customers in India They've crossed the 400,000 client threshold and they have a long list — 59 things — that they want to be able to do with the [MIFOS] MIS, which is great because it turns out that those 59 things are all things that somebody else wants as well. So one of the other things that we're starting to see in this customer consortium around MIFOS is that as Grameen Koota in India pushes the platform forward ... they are able to start sharing their innovations and talking to [others] about what they're doing in their business. [They are able to talk about] what types of products they're rolling out and how they need their technology platform to move forward and evolve in order to support what they are trying to do. As Grameen Koota moves with us to implement some new functionality, others will benefit from that [and so on] And there is a nice kind of virtuous circle that comes out of that.

George Conard, Executive Director of Technology for Microfinance at Grameen Foundation, USA

There is a big role for MFIs to play in bringing together organized community groups to address housing for the poor. It's not just about the finance, it's finance plus concept. ... For example, in order to help MFIs engage in complicated slum upgrades, recently UN-HABITAT established local finance facilities in Ghana, Indonesia, Sri Lanka and Tanzania. These non-bank financial institutions are capitalized at about US\$1.5 million each, and they're designed to be financially self-sustaining. At the moment they generate income through interest, so we're looking at other mechanisms as

well. Primarily, the local finance facilities offer credit enhancement, guarantees or construction bridge financing. They guarantee the lending of either the MFI or the domestic bank into the slum upgrading project that is to be developed. They don't do any direct lending through the local finance facilities but their primary goal is to encourage domestic banks and microfinance institutions to lend to these projects in order to develop housing models that ensure affordability for the poor.

Liz Case, Chief Operations Consultant, UN-HABITAT, Kenya

Now we are building a new town. ...[Y]ou say, can poor people do this? We said yes. They're making their own building materials, their own walls, their own tiles for the roofs, their own windows, and their own doors. They are producing everything that you can produce and it's done by the poor themselves for better housing. And the housing is good housing, not petty iron sheet shacks. That's not what we're doing. It's real housing. And it's at a fraction of the cost when the rich are building. This is now becoming one of the most famous towns in Africa. And it was started with a dream of the poorest of the poor. We can also get out of the slums. We need to get rid of the slums. It's not right that children should grow up in such environments.

Ingrid Munro, Founder and Managing Trustee, Jamii Bora Bank, Kenya

We [Oikocredit] have developed a social scorecard, building on the core social criteria of Oikocredit, taking into consideration developments within the industry in the form of client protection principles, in the form of the elements that the social rating agencies look at, in the form of indicators that social performance assessment and audit tools like the SPI tool that has been developed by Cerise looks at. ...[T]he social scorecard is composed of four areas: 1) outreach and targeting, 2) client welfare and benefits, 3) governance, and 4) responsibility to staff, community and environment [and it] has 23 questions and 43 points. Out of this social scorecard, we are taking certain elements in part to define what we call extraordinary social performance, [or] extraordinary social relevance, and use that then to give a discount on the calculated interest rate for projects to serve as an incentive for projects in relation to social performance.

Ging Ledesma, Manager of Social Performance, Oikocredit, Netherlands

Translated from French [In Burundi, Tutsis and Hutus] talked and negotiated with each other about the opportunity to forgive one another, to return to their villages and hills and accept a self-help reconstruction program. It took time; it was not easy. ... [In each group, we put] five Hutu with five ethnic Tutsi families who had to work together [to build social centers]. And it was a total of 10 families ... an average of 80 people per group, parents and children. ... This pilot project persuaded some savings and credit unions and some microfinance institutions in Burundi to resume their activities in this county. Families had access to small loans and have restarted

their small enterprises. Life was reborn in this town, and microfinance had restored peace and reconstruction ... [among] a population divided by ethnic conflict and at the same time allowed the poorest and most disadvantaged people to rebuild their lives.

A few months afterward, the war started up again, and what surprised me ... [was that] I saw the Hutu and Tutsi people with their cows, goats, chickens and their small commercial goods, all running in the same direction to protect themselves. And when the war stopped, life immediately started up again that afternoon. That [project] ... was able to bring people together. People decided for themselves what could reunite them.

**Reverend Tambwe wa Tambwe Musangelu, Executive Director,
Diku Dilenga, DR Congo**

The issue of [annual] renewals [of insurance policies] is one of the major challenges that we are currently battling. We know the dangers of making insurance mandatory. There is a downside, even though you are going to benefit from a critical mass much faster and therefore become much more viable... For renewals, what we are doing is to bring in more benefits to the product. [The client may think,] “If I pay a premium, then I need to get something back. So if there is no claim, then the insurance is useless. So come next year, then there is no need to renew. Why should my insurer tell me I have to pay another premium? That is theft.” So, what we are trying to do is add more value to the product by offering things like medical examinations for those people who are insured through our groups, so we give them some kind of benefit that is tangible even when they don’t have a claim. But I can tell you this requires a lot of ingenious thinking and it remains a major problem, and I cannot pretend that we have made any major strides in [finding] solutions.

**Nelson Kuria, Managing Director, Cooperative Insurance
Company of Kenya Limited (CIC), Kenya**

When Danone wanted to do the social business in Bangladesh, they got into a problem, “Where should this money come from?” Company management could not use company money to invest in and start this social business, because the investors and the shareholders in the company invested their money to make money. [Then the] shareholders wouldn’t get any dividends and they would throw out the management [team] who had misused their money. They were in a big fix, so they came up with a smart idea.

During [the Danone] annual general meeting they circulated a letter to all of the shareholders of the company saying that, “This year we’ll be announcing a dividend of [such and such amount], but let us tell you about what we’re going to start. We’re looking at a program in Bangladesh that is a social business. It will not give you any dividend, but it will produce results in terms of eliminating malnutrition among children. For those of you who are interested to

invest in this business, which will not provide you with a dividend, please sign up on this piece of paper. Please tell us what percentage of your dividend you would like to invest in this fund, which will be invested in the social business [in Bangladesh].” Ninety-eight percent of the shareholders signed up... Grameen Danone needed only a small amount of money – just about one million dollars— but they came out with something like \$35 million. So they went to the stock market in Paris and created a whole fund called the Danone Communities Fund, so that they can do this anytime they have another social business... This is how they distinguished themselves and how a little company in Bangladesh impacted the giant company of Danone.

**Professor Muhammad Yunus,
Managing Director of Grameen Bank, Bangladesh**

Conclusion

There are many visions for microfinance, including this one: microfinance for redemption. The dictionary defines redemption as “restoring one’s honor and worth; setting one free.” Isn’t that the highest vision for microfinance: assisting people in restoring their honor and worth, and setting them free from the bondage of poverty?

Sam Daley-Harris, Director of the Microcredit Summit Campaign

When the abuse in her home got bad enough, Janet Bett left her husband for the relative safety of living on the streets. She cared for her six children as best she could, surviving by begging from those who had more than she did. After seven years on the streets, she despaired of being able to provide a life for her children that was any different than the one she has known.

When Janet first met Ingrid Munro she did not need access to finance, she needed a place to stay. At the time, Ingrid was working for the Africa Housing Foundation and found a place for Janet and her children at a rehabilitation camp the Foundation had established. Later, Ingrid found weaving machines and helped Janet and the other women start weaving businesses. A visiting donor noticed Janet’s ability and gave her a loan. That became the start of Jamii Bora. Munro and Bett together registered the new organization, with Janet as the secretary.

Today, Janet serves as a senior manager at Jamii Bora, heading the New Hope program that works with street beggars. All of her staff were also beggars at one time. When they meet a potential member who does not believe that her life can change, Janet will tell her, “If I could do it, you can, too.” Janet is proud of her children who have finished university. Three are teachers, one is a pharmacist and the other works in a medical clinic.

Ingrid likes to tell the story of Janet’s first ride in an airplane. “We were in Mombasa, and we had some important visitors coming to Nairobi. We had no time to get there by train, so we went by air together. When we started climbing up, up, up, she was so fascinated. When we climbed above the sky and we just saw white fluffy things under us she said, ‘What is that?’ And I said, ‘Janet, those are clouds.’ And she said, ‘You mean we are above the clouds?’ And then she said, ‘You know, Mum, you always told us that the sky is the limit, but now I know not even the sky is the limit.’”

Janet’s life exemplifies the sort of transformation that can take place when microfinance is provided in the context of care, trust, support and other services that lift the constraints keeping a person from realizing her full potential. Once a beggar, she now manages a program run by former beggars who help other beggars get off the streets. As someone who was once desperate and poor, she can now convince other people in desperate poverty that they can transform their lives as well.

This is the mission we serve at the Microcredit Summit Campaign. We want to see hundreds of millions more people like Janet, free from the bondage of poverty, with honor and worth restored, providing for their children, and sharing their gifts with others in need.

This is the mission we serve at the Microcredit Summit Campaign. We want to see hundreds of millions more people like Janet, free from the bondage of poverty, with honor and worth restored, providing for their children, and sharing their gifts with others in need.

We ask for those of you reading this report to support this vision and the call for a Seal of Excellence in microfinance so that we can highlight organizations that show consistent success in moving people from below the US\$1.25 a day threshold to lives of generous productivity. We know that the goals that we strive for are huge, the challenge of a lifetime. But with Janet's encouragement, we will not let the sky be our limit.

Acknowledgements

This year, more than 1,000 people and institutions have contributed to the production of the *State of the Microcredit Summit Campaign Report*. More than 800 institutions and individuals submitted an Action Plan in 2010 and they are listed in **Appendix III**. The Microcredit Summit Campaign recognizes that without these institutions and the individuals within them, especially the practitioners, there would be no report.

As always, network institutions have played a crucial role in facilitating data collection from their members and affiliates. Given the number of networks that have provided support, we have again listed them in **Endnote 1**. Another activity that is critical to this report is the verification process. Over 150 individuals and institutions have responded to our request for verification; they are listed in **Appendix II**. Their assistance gives us confidence to report the data found in this report.

More specifically, I want to thank Sam Daley-Harris for giving me the opportunity to write this report. My biggest challenge was trying to measure up to the standard of excellence he has set in the previous reports that he wrote. I'm still not sure I met it.

I would also like to thank both Sam and Sabina Rogers for the multitude of ways that they assisted me, including arranging interviews and slogging through many early drafts as we worked to get the message right.

The following people provided interviews and/or written contributions for this report: Sir Fazle Abed, Dale W Adams, Vikram Akula, Wolday Amha, Robert Annibale, Jeffrey Ashe, David Baguma, Jamie Bedson, Robert Christen, Monique Cohen, Sam Daley-Harris, Carlos Danel, Christopher Dunford, Laura Foose, Adrian Gonzalez, John Hatch, Francisco de Hoyos Parra, Dean Karlan, Jake Kendall, Richard Leftley, Mikhail Mamuta, Ignacio Mas, Nachiket Mor, Ingrid Munro, Kathleen Odell, David Porteous, Beth Rhyne, Marguerite Robinson, David Roodman, Richard Rosenberg, Stuart Rutherford, Frances Sinha, Sanjay Sinha, Bill Tucker, Chuck Waterfield, Graham Wright, Professor Muhammad Yunus and Sajjad Zohir. I am grateful for the significant contributions they each made to this report and to my own thinking about microfinance. I interviewed them over many months, starting in August 2010, so if their quotes seem out of context to the time when the report is published, I offer them my apologies.

Alex Counts, Susy Cheston and Jan Maes took time out of their busy schedules to review a late draft and give very helpful suggestions for improvements.

Current and former Microcredit Summit Campaign staff and interns have spent endless hours collecting, entering and tabulating the data; calling practitioners and verifiers around the world; and reviewing drafts of the report. In addition to Sam and Sabina, I am especially grateful to Dr. D. S. K. Rao, Lisa Laegreid, Anna Awimbo and Fred Schick and for their profound contribution to this year's report.

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This report, like so much of what works well in microfinance, is the result of the contributions and experiences of many people who shared them freely. The decisions about what got put in and what got left out were mine, so I take responsibility for any errors that are found in this report.

Larry Reed
Oak Park, IL, USA
December 17th, 2010

Endnote 1: Institutions and Networks that Assisted in Collection of Institutional Action Plans

Name	Country
Microfinance Investment Support Facility for Afghanistan (MISFA)	Afghanistan
Red Argentina de Instituciones de Microcrédito (REDICOM)	Argentina
Credit and Development Forum (CDF)	Bangladesh
Grameen Trust	Bangladesh
Palli Karma-Sahayak Foundation (PKSF)	Bangladesh
Consortium ALAFIA	Benin
Asociación de Instituciones Financieras para el Desarrollo Rural (FINRURAL)	Bolivia
Association Professionnelle des Institutions de Microfinance au Burkina Faso (APIM-BF)	Burkina Faso
Réseau des Institutions de Microfinance au Burundi (RIM)	Burundi
Proyecto Microfinanzas para el Desarrollo	Colombia
Red Financiera Rural (RFR)	Ecuador
Union de Cooperativas de Ahorro y Crédito del Centro (UCACCENTRO)	Ecuador
Sanabel - Microfinance Network for the Arab Countries	Egypt
Asociación de Organizaciones de Micro finanzas (ASOMI)	El Salvador
FEDECRÉDITO	El Salvador
OXUS Holding	France
Ghana Microfinance Network (GHAMFIN)	Ghana
Red de Instituciones de Microfinanzas de Guatemala	Guatemala
Katalysis Red Microfinanciera Centroamericana (Red Katalysis)	Honduras
Red de Instituciones de Microfinanzas de Honduras (REDMICROH)	Honduras
ACCESS Development Services	India
Ananya Finance for Inclusive Growth Pvt. Ltd	India
International Network of Alternative Financial Institutions (INAFI India)	India
NABARD	India
Sa-Dhan	India
Small Industries Development Bank of India (SIDBI)	India
Gema PKM Indonesia	Indonesia
Association Professionnelle des Systèmes Financiers Décentralisés de Côte d'Ivoire (APSFDCI)	Côte d'Ivoire
Association of Microfinance Institutions of Kenya (AMFI Kenya)	Kenya
Association Professionnelle des Institutions Financières Mutualistes	Madagascar
Association Professionnelle des Institutions de Microfinance du Mali (APIM-Mali)	Mali
Prodesarrollo: Finanzas y Microempresa A.C.	Mexico
Rural Microfinance Development Centre Ltd. (RMDC)	Nepal

Name	Country
Asociación Nicaraguense de Instituciones de Microfinanzas (ASOMIF)	Nicaragua
Red Centroamericana de Microfinanzas (REDCAMIF)	Nicaragua
Lift Above Poverty Organization (LAPO)	Nigeria
Pakistan Microfinance Network (PMN)	Pakistan
Pakistan Poverty Alleviation Fund (PPAF)	Pakistan
Consorcio de Organizaciones Privadas de Promoción a la Pequeña y Microempresa de Perú (COPEME)	Peru
Federación Peruana de Cajas Municipales de Ahorro y Crédito (FPCMAC)	Peru
Alliance of Philippine Partners in Enterprise Development (APPEND Network)	Philippines
People's Credit and Finance Corporation (PCFC)	Philippines
Association Professionnelle des Etablissements de Microfinance du Congo (APEM-Congo)	Republic of Congo
Association Professionnelle des Systèmes Financiers Décentralisés du Sénégal (APSFDF- Sénégal)	Senegal
Association of Microfinance Institutions of Uganda (AMFIU)	Uganda
CARE	USA
Catholic Relief Services (CRS)	USA
ChildFund International (CFI)	USA
Enterprise Mentors International	USA
FINCA International	USA
Freedom from Hunger	USA
Grameen Foundation	USA
Opportunity International	USA
Plan International	USA
Pro Mujer / Pro Women International	USA
Save the Children Foundation	USA
Women's World Banking	USA
World Relief	USA

Appendix I: Verified Microfinance Institutions

This is the tenth year that the Microcredit Summit conducted the verification process in order to confirm the data reported by our largest members.³² Practitioner MFIs that submitted a 2010 Institutional Action Plan reporting more than 5,000 poorest clients were asked to provide the Campaign with the names of donor agencies, research institutions, networks and/or other institutions that could corroborate their data. Verifiers were asked to confirm the following data points: 1) total number of active clients; 2) percent of total active clients who are female; 3) total number of active clients who were among the poorest when they receive their first loan; and 4) percent of poorest clients who are female.

As in past years, the Campaign's greatest challenge is bridging the gap between its commitment to reaching the poorest and the lack of effective poverty measurement tools. Therefore, every use of the term "poorest" in these appendices should be read within the context of this dilemma.³³

The data from 327 practitioner MFIs was corroborated by at least one outside organization. These 327 institutions reported reaching 119.5 million poorest clients by the end of 2009, or 93 percent of the total number of poorest clients reported.

Institution	Country	Poorest Clients as of 31 Dec. 2009	% Poorest Clients that are Women	Total Active Clients as of 31 Dec. 2009	% Total Women	Verified by
ASIA and THE PACIFIC						
National Bank for Agriculture and Rural Development	India	54,330,000	80	67,914,000	80	118
Grameen Bank	Bangladesh	7,970,000	97	7,970,000	97	78
Association of Asian Confederation of Credit Unions	Thailand	5,601,064	55	6,949,000	58	25
SKS Microfinance Limited	India	5,466,960	100	6,100,000	100	33
Bangladesh Rural Development Board	Bangladesh	5,132,479	70	5,402,610	70	3
BRAC	Bangladesh	4,210,000	99	6,240,000	95	16
Vietnam Bank for Social Policies (Vietnam Bank for the Poor)	Vietnam	3,709,136	51	7,536,960	50	149
Spandana Sphoorty Financial Limited	India	3,290,000	94	3,360,223	94	33
Association for Social Advancement (ASA Bangladesh)	Bangladesh	3,000,301	95	4,000,401	88	16
ACCESS Development Services	India	2,336,502	90	2,748,826	90	32
Share Microfin Limited	India	1,987,883	100	1,987,883	100	33
Bandhan Financial Services Pvt. Ltd.	India	1,451,893	100	2,016,518	100	33
Asmitha Microfin Limited	India	1,300,079	100	1,340,288	100	33
Sri Kshetra Dharmasthala Rural Development Project	India	1,029,247	85	1,197,494	75	85
Ananya Finance for Inclusive Growth Pvt. Ltd.	India	1,014,998	100	1,268,747	100	86
Centre for Agriculture and Rural Development Mutually Reinforcing Institutions (CARD)	Philippines	967,963	100	967,963	100	68
BURO Bangladesh	Bangladesh	746,938	100	746,938	100	16, 156
Samurdhi Authority of Sri Lanka	Sri Lanka	729,000	11	784,080	65	9
Equitas Micro Finance India Private Limited	India	700,000	100	700,000	100	117

³²By verification, the Campaign means that the verifier has "visited the program, met the senior officials, been provided with numbers, and believes that the institution and the numbers listed [in the verification form] are reliable and credible."

³³"Poorest" in developing countries refers to any of the 1.4 billion who live on less than US\$1.25 a day adjusted for purchasing power parity (PPP), or families whose income is in the bottom 50 percent of all those living below their country's poverty line, when they started with the program. (Based on the *World Development Indicators* (2010), <http://data.worldbank.org/data-catalog/world-development-indicators/wdi-2010>.)

Institution	Country	Poorest Clients as of 31 Dec. 2009	% Poorest Clients that are Women	Total Active Clients as of 31 Dec. 2009	% Total Women	Verified by
Grama Vidiyal Micro Finance Limited	India	586,177	100	586,177	100	33
Mahila Arthik Vikas Mahamandal Ltd	India	560,240	100	659,098	100	35
Working Women's Forum	India	503,777	100	503,777	100	49
All India Association for Micro-Entreprise Development	India	450,000	98	500,000	98	110
Khushhali Bank Limited	Pakistan	393,942	23	393,942	23	53
CASHPOR Micro Credit	India	362,880	100	362,880	100	136
Bangladesh Krishi Bank	Bangladesh	362,815	60	514,213	58	60
Shakti Foundation for Disadvantaged Women	Bangladesh	336,515	100	336,515	100	86
National Rural Support Programme	Pakistan	335,674	53	417,506	52	53
Thengamara Mohila Sabuj Sangha (TMSS)	Bangladesh	327,586	98	503,978	99	16
Cauvery Kalpatharu Grameen Bank	India	295,410	95	295,410	95	7
Islami Bank Bangladesh Limited	Bangladesh	292,967	85	312,036	85	16
PADAKHEP Manabik Unnayan Kendra	Bangladesh	292,500	90	325,000	90	16, 115
State Ministry of National Family Planning Coordinating Board, Indonesia	Indonesia	278,088	95	278,088	95	63
TSPI Development Corporation	Philippines	262,857	100	264,089	100	69
Kashf Foundation	Pakistan	221,043	100	294,724	100	53
Rangpur Dinajpur Rural Service Bangladesh	Bangladesh	219,011	85	284,431	85	16, 100
Jagorani Chakra Foundation	Bangladesh	211,250	97	264,057	95	16
Palli Daridro Bimochon Foundation	Bangladesh	198,690	95	451,570	98	16
United Nations Development Program Microfinance Project Executed by Pact Institute in Myanmar	Myanmar	197,762	100	329,603	97	31
Grameen Financial Services Pvt Ltd.	India	163,531	100	268,983	99	116
Professional Assistance for Development Action	India	162,000	100	170,700	100	64
The First Microfinance Bank Ltd.	Pakistan	155,234	35	206,978	35	53
CARITAS Bangladesh	Bangladesh	137,868	82	158,469	82	16
BSS Microfinance Private Limited	India	130,000	100	180,214	100	33
South Malabar Gramin Bank	India	125,000	60	820,000	34	108
Madura Micro Finance, Ltd.	India	123,867	100	247,734	100	96
BWDA Finance Limited	India	122,237	85	358,841	80	33, 124
Ujjivan Financial Services Pvt. Ltd.	India	120,105	100	503,377	100	112
United Development Initiatives for Programmed Actions	Bangladesh	117,831	95	196,385	91	148
Sanghamithra Rural Finance Services	India	115,718	99	128,576	99	109
Mahasemam Trust	India	115,238	45	245,146	100	30
Resource Integration Centre	Bangladesh	108,740	92	108,740	92	16
Mitra Bisnis Keluarga Ventura – "Family Business Partners"	Indonesia	106,407	100	141,876	100	63
Karnataka Regional Organisation for Social Service	India	100,000	100	125,000	100	67
North Malabar Gramin Bank	India	99,806	96	103,965	96	113
Palli Mongal Karmosuchi	Bangladesh	90,659	100	100,733	100	16
Bangladesh Extension Education Services	Bangladesh	90,284	93	95,041	93	148
Dushtha Shasthya Kendra	Bangladesh	87,989	100	91,217	99	59

Institution	Country	Poorest Clients as of 31 Dec. 2009	% Poorest Clients that are Women	Total Active Clients as of 31 Dec. 2009	% Total Women	Verified by
Saadhana Microfin Society	India	87,604	100	87,604	100	33
Chhimek Bikas Bank Ltd.	Nepal	84,175	100	84,781	100	133
Nirdhan Utthan Bank Limited	Nepal	79,636	100	79,636	100	92
Integrated Development Foundation	Bangladesh	78,690	100	78,690	100	16, 87
Eco Social Development Organisation	Bangladesh	75,497	99	121,931	97	16
Sajida Foundation	Bangladesh	69,628	97	94,567	97	16
HEED Bangladesh (Health Education and Economic Development Bangladesh)	Bangladesh	69,009	97	76,677	97	16
People's Multipurpose Development Society	India	60,400	100	60,400	100	153
Central Credit Union of Swadaya Utama	Indonesia	59,297	35	78,023	55	56
Manabik Shahajya Sangstha	Bangladesh	58,747	100	93,996	100	16, 87
Ad-din Welfare Centre – Jessore	Bangladesh	57,990	98	86,101	100	148
Muslim Aid UK - Bangladesh Field Office (Muslim Aid Bangladesh)	Bangladesh	53,466	98	56,746	97	16
Centre for Development Innovation and Practices	Bangladesh	53,095	95	58,994	94	148
Coastal Association for Social Transformation Trust	Bangladesh	52,984	97	55,974	96	148
National Bank of Cambodia	Cambodia	52,208	80	904,298	80	146
Association of Cambodian Local Economic Development Agencies Bank Ltd.	Cambodia	51,403	59	247,987	56	61
People's Rural Education Movement	India	51,100	99	51,370	99	141
Negros Women for Tomorrow Foundation	Philippines	50,716	99	78,025	99	22
ASHRAI	Bangladesh	48,329	100	48,329	100	16
Development Project Service Centre, Nepal	Nepal	46,200	100	46,200	100	48
SKS Foundation	Bangladesh	46,079	100	89,600	99	148
Network of Entrepreneurship & Economic Development	India	46,000	85	50,000	85	125
Village Financial Services Private Limited	India	45,483	100	150,354	100	129
Swabalamban Laghubitta Bikas Bank Ltd.	Nepal	45,313	100	64,733	100	133
Thardeep Rural Development Program	Pakistan	44,783	54	44,783	54	13
Welfare Association of Village Environment, WAVE Foundation	Bangladesh	42,750	99	76,161	98	148
Ansar - VDP Unnayan Bank	Bangladesh	42,249	60	93,887	70	16
Alalay Sa Kaunlaran Sa Gitnang Luzon, Inc.	Philippines	41,000	80	57,979	80	69
Jeevan Bikas Samaj	Nepal	40,076	100	40,076	100	133
UCPB-CIIF Finance and Development Corporation	Philippines	38,336	68	44,071	68	47
Rural Reconstruction Foundation	Bangladesh	37,936	100	181,972	99	16
Small Farmers Development Foundation	Bangladesh	37,890	63	67,110	72	16
Adhikar	India	37,672	100	54,508	100	33
Nerude Laghubitta Bikas Bank Ltd.	Nepal	37,088	100	37,088	100	133
Forum for Rural Women Ardency Development	Nepal	36,799	100	36,799	100	133
Deprosc Development Bank Ltd.	Nepal	36,282	100	37,175	100	133
BRAC Pakistan	Pakistan	36,000	100	45,011	100	13
Pashchimanchal Grameen Bikas Bank Limited Butwal	Nepal	35,871	95	35,871	95	48

Institution	Country	Poorest Clients as of 31 Dec. 2009	% Poorest Clients that are Women	Total Active Clients as of 31 Dec. 2009	% Total Women	Verified by
Uttara Development Program Society	Bangladesh	35,000	100	250,000	99	16
Hattha Kaksekar Limited	Cambodia	34,943	89	41,110	77	62
Sahara Nepal Saving and Credit Co-Operative Society Ltd.	Nepal	34,930	100	34,930	100	133
The Institute of Rural Development	Bangladesh	33,600	97	48,000	98	16
National Development Society	Bangladesh	33,213	93	36,398	84	16
Assistance for Social Organization and Development	Bangladesh	32,813	100	59,620	100	16
China Foundation for Poverty Alleviation	People's Republic Of China	32,785	77	36,428	77	157
Centre for Self-Help Development	Nepal	32,404	100	32,404	100	133
Holy Cross Social Service Centre	India	32,000	100	32,000	100	137
Sonata Finance Private Limited	India	31,094	100	77,735	100	135
Bangladesh Association for Social Advancement	Bangladesh	30,340	99	82,000	99	16
Enterprise Mentors Philippines	Philippines	30,046	99	30,046	99	58
VisionFund (Cambodia)	Cambodia	28,645	85	98,777	87	61
PAGASA Lending Company	Philippines	27,597	100	61,236	100	5
Star MicroFin Service Society	India	26,783	100	36,742	100	124
Oxfam America (Cambodia)	Cambodia	26,671	90	47,831	90	19
Kazama Grameen Inc.	Philippines	26,462	100	26,462	100	87
Society for Social Service	Bangladesh	26,321	100	252,873	96	148
Tau Yeu May Fund, Vietnam Women's Union	Vietnam	26,281	100	40,433	100	4
PAGE Development Centre	Bangladesh	26,278	100	55,685	99	16
Voluntary Association for Rural Development	Bangladesh	26,016	100	32,520	100	148
ESAF Micro Finance and Investments (P) Ltd.	India	25,885	99	184,894	99	82
Liberation Movement for Women	India	24,200	100	24,200	100	11, 153
People's Oriented Program Implementation	Bangladesh	23,818	100	160,829	99	16
Shishu Niloy Foundation	Bangladesh	23,749	99	23,749	99	148
Community Finance Resource Centre	Vietnam	23,569	99	35,132	100	103
Welfare Services Ernakulam	India	23,408	98	38,374	98	10
Bandhu Kallyan Foundation	Bangladesh	23,398	85	27,518	88	148
Nano Financial Services India Private Limited	India	22,756	100	29,943	100	124
Srizony Bangladesh	Bangladesh	22,520	100	37,284	100	16
Al Falah Aam Unnayan Sangstha	Bangladesh	21,451	99	26,814	99	16, 148
Dak Diye Jai	Bangladesh	21,169	94	31,968	94	148
Grama Siri, Andra Pradesh	India	20,036	100	20,036	100	124
Heifer Project International China	People's Republic Of China	20,000	40	22,000	40	36
Village Education Resource Center	Bangladesh	19,500	98	41,354	97	16
Shariatpur Development Society	Bangladesh	19,200	100	40,737	100	16
Noakhali Rural Development Society	Bangladesh	19,099	100	19,099	100	16
Gram Unnayan Karma	Bangladesh	18,920	98	63,068	98	16
Mitra Dhu'afa Foundation	Indonesia	18,775	100	27,610	100	87
Swanirvar Bangladesh	Bangladesh	18,045	96	1,155,300	90	16

Institution	Country	Poorest Clients as of 31 Dec. 2009	% Poorest Clients that are Women	Total Active Clients as of 31 Dec. 2009	% Total Women	Verified by
ATMABISWAS	Bangladesh	17,755	96	22,194	96	148
MAMATA	Bangladesh	17,623	95	27,973	90	87
CRESA Financial Services (CFS) Private Ltd.	India	17,559	100	35,118	100	87
Naria Unnayan Samity	Bangladesh	17,255	88	17,255	88	148
Society Development Committee	Bangladesh	17,239	99	45,366	94	16
Somaj O Jati Gathan	Bangladesh	16,500	46	32,549	41	16
Sabalamby Unnayan Samity	Bangladesh	16,450	100	33,997	99	16
Hagdan Sa Pag-Uswag Foundation	Philippines	14,871	96	16,336	89	5
Gono Kallayan Trust	Bangladesh	14,700	94	21,033	98	16
ASA Pakistan	Pakistan	14,626	100	18,283	100	53
Centre for Mass Education in Science	Bangladesh	14,362	68	29,466	66	87
Akhuwat	Pakistan	13,851	35	15,390	30	79
Sindh Agricultural and Forestry Workers Coordinating Organization	Pakistan	13,834	30	21,283	50	53
Bangladesh Environment Development Organisation	Bangladesh	13,443	91	13,443	91	148
Development Initiative for Social Advancement	Bangladesh	13,298	100	15,696	96	16
Unnayan	Bangladesh	13,000	94	13,044	94	148
Joypurhat Rural Development Movement	Bangladesh	12,406	84	23,859	85	16
Annesha Foundation	Bangladesh	12,210	98	21,047	98	148
Orix Leasing Pakistan Limited	Pakistan	11,580	98	15,450	93	13, 53
BRIDGE - Bangladesh Rural Integrated Development for Grub-Street Economy	Bangladesh	11,434	97	11,434	97	148
Pally Bikash Kendra	Bangladesh	11,000	100	36,510	100	16
Development Action for Mobilization and Emancipation	Pakistan	10,669	100	44,912	100	53
Funding the Poor Cooperative - Chinese Academy of Social Sciences	People's Republic Of China	10,400	60	17,328	93	87
Grameen Jano Unnayan Sangstha	Bangladesh	10,378	100	14,417	100	16
Nabolok Parishad	Bangladesh	10,206	98	13,229	100	122
ASPADA Paribesh Unnayan Foundation	Bangladesh	10,000	100	45,000	99	16
Punjab Rural Support Programme - Lahore	Pakistan	9,996	45	80,456	45	13
Nowabenki Gonomukhi Foundation	Bangladesh	9,965	98	29,311	93	16
Hilful Fuzul Samaj Kallyan Sangstha	Bangladesh	9,760	55	10,765	55	148
Young Power in Social Action	Bangladesh	9,748	95	11,543	92	148
PROGRESS (Akti Samaj Unnayan Mulak Sangstha)	Bangladesh	9,496	100	25,426	100	16
Women Cooperative Society Ltd.	Nepal	8,931	100	8,931	100	133
Gono Unnayan Prochesta	Bangladesh	8,888	100	9,488	98	148
National Development Programme	Bangladesh	8,628	100	38,922	99	16
Serviamus Foundation Incorporated	Philippines	8,555	99	9,506	99	68
Ghashful, MCH FP & FW Association	Bangladesh	8,500	98	26,662	97	148
Self-Help and Rehabilitation Programme	Bangladesh	8,500	97	16,121	97	59
Centre for Advanced Research and Social Action	Bangladesh	8,400	99	10,180	99	148
Proyas Manobik Unnayan Society	Bangladesh	8,000	100	12,285	100	148

Institution	Country	Poorest Clients as of 31 Dec. 2009	% Poorest Clients that are Women	Total Active Clients as of 31 Dec. 2009	% Total Women	Verified by
Fund for the Encouragement of Self-Reliance	Vietnam	7,918	88	14,158	88	102
MANUSHI	Nepal	7,803	100	7,803	100	133
Ensure Development Activities for Vulnerable Underprivileged Rural People	Bangladesh	7,717	94	8,532	94	148
Grameen Development Services	India	7,500	100	9,000	100	64, 72
MOUSUMI	Bangladesh	7,500	93	11,157	99	148
Capital Aid Fund for Employment of the Poor - Ho Chi Minh City	Vietnam	7,350	76	134,141	76	87
OPP-Orangi Charitable Trust	Pakistan	6,824	10	40,137	15	53
Social Upliftment Society	Bangladesh	6,500	100	20,839	100	16
Grameen Manobic Unnayan Sangstha	Bangladesh	6,350	92	22,977	90	16
Community Women Development Centre	Nepal	6,166	100	6,166	100	133
Shrijana Community Development Center	Nepal	6,152	100	6,152	100	133
Shangathita Gramunnyan Karnasuchi	Bangladesh	6,108	97	37,198	73	148
BASTOB-Initiative for People's Self-Development	Bangladesh	5,795	90	7,020	89	148
Jinnah Welfare Society	Pakistan	5,653	93	10,447	96	13, 66
World Concern Bangladesh	Bangladesh	5,613	84	11,599	85	16
Bangladesh Development Society	Bangladesh	5,242	85	14,562	87	16
Dhaka Ahsania Mission	Bangladesh	5,159	100	34,399	95	16
Society for Development Initiatives	Bangladesh	5,152	99	46,425	91	148
Council for Socio Economic Benevolent Action	India	5,000	70	5,000	70	80
Samannita Unnayan Seba Sangathan	Bangladesh	4,840	98	5,536	98	148
Rural Community Development Society	Pakistan	4,560	80	19,239	80	53
Community Support Concern	Pakistan	3,475	100	13,963	100	53
DWIP Unnayan Sangstha	Bangladesh	2,697	99	15,361	85	148

EASTERN EUROPE and CENTRAL ASIA

Closed Joint-Stock Company "FINCA Microcredit Company"	Kyrgyzstan	36,000	67	108,102	67	147
Microcredit Foundation EKI	Bosnia And Herzegovina	28,900	41	54,520	41	119

LATIN AMERICA and the CARIBBEAN

AgroAMIGO - Banco do Nordeste do Brasil S/A	Brazil	484,261	45	484,261	45	2
Financiera Compartamos, S.A., Institución de Banca Múltiple	Mexico	290,080	98	1,503,006	98	158
Consortio de ONGs Promoción de la Mujer y la Comunidad	Peru	115,000	90	138,303	90	20
Banco de Ahorro y Crédito ADOPEM, S.A.	Dominican Republic	100,852	82	112,058	75	74
Banco do Nordeste do Brasil S/A – Crediamigo	Brazil	84,622	73	528,792	65	138
Pro Mujer – Bolivia	Bolivia	64,500	60	80,618	95	26
Caja Municipal de Ahorro y Crédito de Huancayo	Peru	55,524	0	86,339	41	111
Fondo para el Desarrollo Social de la Ciudad de México, FONDESO	Mexico	50,080	72	62,600	72	123
Banco de las Microfinanzas Bancamía S.A.	Colombia	49,089	58	285,769	63	57

Institution	Country	Poorest Clients as of 31 Dec. 2009	% Poorest Clients that are Women	Total Active Clients as of 31 Dec. 2009	% Total Women	Verified by
Crédito con Educación Rural	Bolivia	39,454	99	101,212	92	26
Fondo de Desarrollo Local	Nicaragua	31,547	55	76,689	56	121
Fundación Mundo Mujer – Popayán	Colombia	30,000	75	310,000	75	34
Fonkoze - Fondasyon Kole Zepòl	Haiti	27,604	100	45,344	99	22, 134
Fundación para el Desarrollo Integral de Programas Socioeconómicos	Guatemala	27,050	72	36,055	72	97
Pro Mujer – Nicaragua	Nicaragua	22,027	98	24,475	98	42
Fundación Diaconia FRIF	Bolivia	20,047	70	44,565	61	26
Caja Municipal de Ahorro y Crédito de Sullana	Peru	19,621	55	83,707	55	111
Banrural Grameen Microfinanzas	Guatemala	18,343	100	18,343	100	87, 127
Asociación de Oportunidad y Desarrollo Económico de Nicaragua	Nicaragua	18,060	90	30,100	80	120
Fundación Mundial de la Mujer Bucaramanga	Colombia	16,084	70	145,875	72	57
Organización de Desarrollo Empresarial Femenino	Honduras	12,161	63	28,956	60	45, 126
Fundación para el Desarrollo de Nueva Segovia	Nicaragua	11,253	24	12,732	46	152
FINCA México A.C.	Mexico	11,206	99	118,419	96	147
Corporación Viviendas Hogar de Cristo	Ecuador	10,874	100	10,874	100	15
Unión Católica de Apoyo al Desarrollo Comunitario (UCADE)	Ecuador	9,552	80	14,694	87	15
FUNED VisionFund OPDF	Honduras	8,483	60	14,378	80	45, 126
Asociación Costa Rica Grameen	Costa Rica	8,031	100	8,031	100	154
Microfinanzas Arariwa	Peru	7,932	60	16,951	78	93
Asociación Benéfica PRISMA	Peru	7,803	34	21,796	71	93
Esperanza Internacional	Dominican Republic	6,500	95	8,221	92	140
Oportunidad Latinoamérica Colombia	Colombia	6,452	80	6,452	80	55
Asociación de Familia y Medio Ambiente	Honduras	6,312	71	12,625	71	126
Santa Fe de Guanajuato A.C.	Mexico	6,166	90	12,332	90	65
Fundación para el Desarrollo Socio-económico Rural	Nicaragua	6,126	44	30,768	53	41
Banco FINCA	Ecuador	5,483	88	53,334	75	147
Fundación Realidad A.C.	Mexico	5,100	90	17,000	85	139
Pro Mujer – Perú	Peru	4,767	95	50,988	93	93
ADRA Perú	Peru	4,190	100	14,967	99	93
Asociación de Mujeres en Desarrollo – MUDE	Guatemala	3,983	86	4,599	95	126
Enterprise Mentors El Salvador	El Salvador	2,374	97	2,374	97	58
FINCA Nicaragua	Nicaragua	2,335	75	19,528	80	147
Enterprise Mentors Guatemala	Guatemala	2,134	56	2,134	56	58
FINCA Guatemala	Guatemala	2,093	85	22,258	85	147
Equipo de Educación y Autogestión Social	Peru	1,820	90	4,427	88	93
Caja Municipal de Ahorro y Crédito de Maynas	Peru	1,589	50	31,785	50	111
FINCA Haiti	Haiti	1,519	91	12,396	91	147
Caja Municipal de Ahorro y Crédito de Cusco	Peru	1,432	48	63,057	50	111
Enterprise Mentors Perú	Peru	1,179	19	1,179	19	58

Institution	Country	Poorest Clients as of 31 Dec. 2009	% Poorest Clients that are Women	Total Active Clients as of 31 Dec. 2009	% Total Women	Verified by
FINCA de El Salvador	El Salvador	880	88	8,357	80	147
Oxfam America (El Salvador)	El Salvador	357	90	641	90	19
Financiera FINCA Honduras	Honduras	324	85	10,080	80	147
Enterprise Mentors Honduras	Honduras	105	43	105	43	58

MIDDLE EAST and NORTH AFRICA

Banque Tunisienne de Solidarité	Tunisia	504,000	83	550,581	86	40
LEAD Foundation (Egyptian Foundation for Enterprise Development)	Egypt	155,422	91	172,691	84	159
BRAC Microfinance Afghanistan	Afghanistan	118,978	100	149,407	84	43, 73
Alexandria Business Association - Small and Micro Enterprise	Egypt	92,863	74	137,701	56	159
Al-Tadamun Microfinance Foundation	Egypt	90,714	100	90,714	100	14
Dakahlya Businessmen's Association for Community Development	Egypt	78,520	72	104,175	56	159
enda inter-arabe	Tunisia	65,212	85	123,041	73	77
Jordan Microcredit Company / Tamweelcom	Jordan	33,099	90	38,941	95	54
Turkish Grameen Microcredit Project	Turkey	29,077	100	29,077	100	75, 144
National Microfinance Bank / Watani	Jordan	10,000	90	23,687	90	37, 77
ChildFund Afghanistan Microfinance	Afghanistan	9,329	56	11,662	46	73
Al-Amal Microfinance Bank	Yemen	4,365	50	4,769	56	77, 142

SUB-SAHARAN AFRICA

Amhara Credit and Savings Institution	Ethiopia	772,636	64	775,518	64	46
Dedebit Credit and Saving Institution Share Company	Ethiopia	377,692	50	407,780	38	81
Oromia Credit & Saving Share Company	Ethiopia	316,367	29	351,519	29	1
Kafo Jiginew	Mali	259,848	31	273,524	29	151
Nigerian Agricultural Cooperative and Rural Development Bank	Nigeria	247,562	25	871,697	28	143
Equity Bank Limited	Kenya	231,777	52	482,780	52	105
Omo Microfinance Institution S.C.	Ethiopia	226,304	30	266,240	28	81
Farmers Development Union	Nigeria	116,951	89	136,660	89	52
MC2 Network/ADAF (Réseau MC2)	Cameroon	112,138	30	185,230	26	106
Addis Credit and Saving Institution	Ethiopia	111,600	56	120,021	57	81
Self Reliance Economic Advancement Programme	Nigeria	93,446	91	116,808	91	38
BRAC Tanzania	Tanzania	88,710	100	89,818	99	94
Oxfam America (Mali)	Mali	83,281	90	149,357	90	19
Sinapi Aba Trust	Ghana	74,120	92	92,650	92	55
Social Development Fund	Gambia	73,000	70	85,050	70	132
Malawi Rural Finance Company, Ltd.	Malawi	65,500	35	87,371	35	27, 155
Fonds d'Appui aux Activités Rémunératrices des Femmes	Burkina Faso	60,000	100	75,000	100	89, 130
CARE International in Uganda	Uganda	59,396	69	169,702	69	29
Women's Development Businesses	South Africa	48,931	100	48,931	100	90, 114

Institution	Country	Poorest Clients as of 31 Dec. 2009	% Poorest Clients that are Women	Total Active Clients as of 31 Dec. 2009	% Total Women	Verified by
The Small Enterprise Foundation	South Africa	47,842	100	62,133	99	50
Crédit Rural de Guinée S. A.	Guinea	47,560	42	63,414	41	28
BRAC Uganda	Uganda	47,550	100	101,170	99	18
Grooming People for Better Livelihood Centre	Nigeria	47,000	98	47,000	98	23, 94
Ghana Cooperative Susu Collections Associations	Ghana	46,000	80	306,833	75	8
Centre for Grassroots Economic Empowerment	Nigeria	40,234	100	51,130	100	39
Fédération des Unions Coopératives Epargne et Crédit	Togo	40,000	70	79,121	69	84
Système Financier Décentralisé ASUSU S.A.	Niger	36,135	82	46,847	80	17
FINCA Uganda	Uganda	33,851	65	43,135	66	18
Union Nationale des Coopératives d'Epargne et de Crédit de Côte d'Ivoire	Côte d'Ivoire	33,519	20	44,692	14	145
Fédération des Caisses Populaires du Burkina	Burkina Faso	33,450	100	177,325	37	107
CARE International in Kenya	Kenya	33,313	67	66,625	67	29
Caisse Coopérative d'Epargne et de Crédit Mutuel	Burundi	33,063	75	38,004	74	101
Wasasa Microfinance Institution	Ethiopia	32,456	60	43,275	45	83
Concern Universal Microfinance Operations	Malawi	30,328	83	36,261	87	27
L'Union des Mutuelles du Partenariat pour la Mobilisation de l'Epargne et du Crédit au Sénégal	Senegal	29,216	100	66,424	63	91
Crédit Communautaire d'Afrique	Cameroon	28,000	68	57,285	54	104
Opportunity International Bank of Malawi	Malawi	26,987	66	45,013	54	55, 95
CARE International in Rwanda	Rwanda	26,921	80	44,868	80	29
CARE International in Tanzania	Tanzania	25,919	68	71,997	68	29
Pamoja Women Development Programme	Kenya	24,862	99	27,624	99	98
Fédération des ONG du Senegal	Senegal	23,127	55	26,250	60	128
Réseau des Caisses d'Epargne et de Crédit Nyèsigiso	Mali	22,854	22	31,138	21	24
Association pour la Promotion et l'Appui au Développement des Micro-Entreprises	Benin	22,548	75	48,962	64	12
Poverty Eradication And Community Empowerment MFI S.CO	Ethiopia	20,933	82	20,933	82	12
ASA Ghana	Ghana	19,740	100	19,740	100	8
A Self-Help Assistance Program Zimbabwe	Zimbabwe	18,679	81	18,679	81	70
CARE International Au Niger	Niger	18,366	100	27,412	100	29
Grassroots Health Organization of Nigeria	Nigeria	17,600	65	18,000	90	88
Union des Clubs d'Epargne et de Crédit Du Moyen-Kebbi	Chad	16,301	25	18,835	23	51
Caurie - Micro Finance	Senegal	14,271	100	31,714	100	131
Oxfam America (Senegal)	Senegal	12,239	90	21,949	90	19
Lift Above Poverty Organization	Nigeria	12,153	12	243,055	98	87
Opportunity Uganda	Uganda	8,750	55	19,761	51	55
CAMEC Nationale	Mali	8,386	56	14,870	33	24
BRAC Microfinance Limited Sierra Leone	Sierra Leone	8,274	100	8,274	100	71
Gasha Micro-Financing S.C.	Ethiopia	8,135	43	9,235	48	44
Kraban Support Foundation	Ghana	7,781	98	9,606	99	6

Institution	Country	Poorest Clients as of 31 Dec. 2009	% Poorest Clients that are Women	Total Active Clients as of 31 Dec. 2009	% Total Women	Verified by
Grameen Ghana	Ghana	7,386	100	8,207	100	8
Opportunity Kenya Ltd.	Kenya	6,758	50	6,758	50	105
NALT – NUSHO Foundation	Nigeria	6,550	100	6,550	100	39
Women and Associations for Gain both Economic and Social	Togo	6,200	75	16,004	80	76
FECECAV-Togo	Togo	5,340	56	10,900	70	99
Association des Caisses de Financement à la Base	Benin	5,199	95	25,997	86	150
The Hunger Project Uganda	Uganda	5,000	70	5,206	70	18
Rural Finance Project	Gambia	4,106	45	4,106	45	21
Aidez Small Project International	Ghana	2,770	3	3,864	97	8

Appendix II: List of Verifiers

Number	Name of Verifier	Institution	Country
1	Abdula, Kelifa	Self-Help Africa	Ethiopia
2	Abramovay, Ricardo	Department of Economics, University of São Paulo	Brazil
3	Alam, Jahangir	IMED	India
4	Alip, Aris	CARD MRI	Philippines
5	Alonzo, Reynold P.	People's Credit and Finance Corporation (PCFC)	Philippines
6	Amoa-Bosopem, Magnus	ASSFIN	Ghana
7	Ananthamurthy, G.K.	NABARD	India
8	Andah, David O.	Ghana Microfinance Network	Ghana
9	Anthony, Emil	Consultant	Sri Lanka
10	Antony, Romance	Kerala Social Services Forum	India
11	Arokiasami, A.	People's Multipurpose Development Society (PMD)	India
12	Ashcroft, Mariama	Womens World Banking (WWB)	USA
13	Ashfaq, Yasir	Pakistan Poverty Alleviation Fund (PPAF)	Pakistan
14	Assaad, Julia	Grameen-Jameel Pan-Arab Microfinance Ltd	United Arab Emirates
15	Auerbach, Paula	Inter-American Development Bank (IDB)	Ecuador
16	Awal, Abdul Md.	Credit and Development Forum (CDF)	Bangladesh
17	Ba, Aminatou	Agence de Régulation du Secteur de la Micro Finance	Niger
18	Baguma, David	Association of Microfinance Institutions of Uganda (AMFIU)	Uganda
19	Baro, Mamadou	Bureau for Applied Research at the U. of Arizona	USA
20	Bedregal, Luis Garcia	Freedom From Hunger	Peru
21	Bensouda, Seedy	National VISACA Tecnical service provider	Gambia
22	Biggar, Nigel	Grameen Foundation	USA
23	Bouan, Maxime	MicroRate	Morocco
24	Camara, Ibrahim	APIM-Mali	Mali
25	Cameron, R. Derek	Canadian Cooperative Association	Canada
26	Castro, Nestor	FINRURAL	Bolivia
27	Chilumpha, Fletcher	Financial Inclusion in Malawi (FIMA) Project	Malawi
28	Conde, Elhadj Kemo	Banque Centrale	Guinea
29	Coulibaly, Abdoul Karim	Access Africa - CARE USA	Tanzania
30	da Gama Rose, Berenice	M-CRIL	India
31	Dallah, David	UNDP	Myanmar
32	Das, Rakesh	IntelleCash Microfinance Network Company	India
33	Das, Vijayalakshmi	Ananya Finance for Inclusive Growth Pvt. Ltd	India
34	Dellien, Hans	Women's World Banking (WWB)	USA
35	D'Souza, Judith	IFAD	India
36	Du, Xiaoshan	Rural Development Institution (RDI), Chinese Academy of Social Sciences (CASS)	People's Republic of China
37	Dueb, Nasser	AGFUND	Saudi Arabia
38	Edozien, Ndid Nnoli	Growing Business Foundation	Nigeria

Number	Name of Verifier	Institution	Country
39	Ehigiamusoe, Godwin	Lift Above Poverty Organization (LAPO)	Nigeria
40	Ennar, Mourad	International Organisation on Migration	Tunisia
41	Esperanza Flores, Sigfrido	AE Microfinance Intl.	USA
42	Espinoza, Henry	PATH	Nicaragua
43	Fakiri, Katrin	MISFA	Afghanistan
44	Feleke, Degafe	Pro Pride	Ethiopia
45	Flores, Indiana	REDMICROH	Honduras
46	Garber, Carter	IDEAS	Ethiopia
47	Gementera, Ernesto	MICRA Philippines	Philippines
48	Ghimire, Tej Hari	Centre for Micro finance of Nepal	Nepal
49	Gopal, Uma	Citibank	India
50	Grasveld, Aaf	Triodos Bank	Netherlands
51	Gugler, Alfred	Caritas Suisse	Switzerland
52	Hansen, Katja	Evangelischer Entwicklungsdienst (EED)	Germany
53	Haq, Aban	Pakistan Microfinance Network (PMN)	Pakistan
54	Hayashi, Masami	Micro Finance Network (MFN)	Mexico
55	Head, Timothy	Opportunity International	USA
56	Hetiarachchi, Ranjith	Association of Asian Confederation of Credit Unions (ACCU)	Thailand
57	Higuera, Claudio	Emprender y Presidente Asomicrofinanzas/ Colombia	Colombia
58	Hokanson, Robert	LDS Employment Resource Services	USA
59	Hoque, Mohammad Tareq	Plan Bangladesh	Bangladesh
60	Hossain, Moshraff	BURO Bangladesh	Bangladesh
61	Hout, Ieng Tong	Cambodia Microfinance Association	Cambodia
62	Hoy, Sophea	Cambodia Microfinance Association	Cambodia
63	Ismawan, Bambang	Yayasan Bina Swadaya	Indonesia
64	Jain, Vinod	Trust Consulting, Lucknow	India
65	Jiménez Macías, Eduardo	Sistema Estatal de Financiamiento al Desarrollo del Estado de Guanajuato (SEFIDE)	Mexico
66	Jiwani, Salim	ShoreBank International Ltd.	Pakistan
67	Joseph, Stanley	Skills for Progress (SKIP)	India
68	Joyas, Lalaine	Microfinance Council of the Philippines (MCPI)	Philippines
69	Juan, Virginia P.	Append Network	Philippines
70	Kakono, Tafirenyika	CARE International in Zimbabwe	Zimbabwe
71	Kalungulungu, Pearson	MITAF	Sierra Leone
72	Kaushik, Rajesh	Oxfam India	India
73	Kawa, Parwiz	Afghanistan Microfinance Association (AMA)	Afghanistan
74	Kawas, Celina	Womens World Banking (WWB)	USA
75	Kayalioglu, Omer	HSBC	Turkey
76	Ketor, Kossivi Ange	APIM Togo	Togo

Number	Name of Verifier	Institution	Country
77	Khaled, Mohammed	Consultative Group to Assist the Poor	Palestine
78	Khaliliy, B.	University of Dhaka	Bangladesh
79	Khan, Ather Azim	University of Central Punjab	Bangladesh
80	Khanda, Santosh Kumar	Ford Foundation	India
81	Kifle, Anteneh	Association of Ethiopian Microfinance Institutions (AEMFI)	Ethiopia
82	Kochendorfer, Mary Jo	Grameen Foundation	USA
83	Kolk, Mildred	Cordaid	Netherlands
84	Kpizing, Esdong H.	Ministère de l'Economie et des Finances, Cellule d'Appui et de Suivi des Institutions	Togo
85	Kumar, N. Manmath	Vijaya Bank	India
86	Lacson, Gil	Womens World Banking (WWB)	USA
87	Latifee, Huzzat I.	Grameen Trust	Bangladesh
88	Magashi, Aminu G.	Community Health Research Initiative Kano	Nigeria
89	Mamadou, Ouedraogo	APIM/BF	Burkina Faso
90	Mamba, Sabelo	SAMAF	South Africa
91	Mbaye, Tafsir Amadou	Direction de la Microfinance	Senegal
92	McFadyen, Ntongi	Save the Children	USA
93	Meza, Jorge	COPEME	Peru
94	Minnaar, Jacco	Triodos Investment Management BV	Netherlands
95	Mkulichi, Noel	Reserve Bank of Malawi	Malawi
96	Mogilishetty, Shilpa	Independent consultant	India
97	Moxon, Richard	Global Partnerships	USA
98	Mulwa, Caroline	Oikocredit Kenya	Kenya
99	Nassirou, Ramanou Aboudou	WAGES	Togo
100	Nath, Bhabatosh	Responsive to Integrated Development Services (RIDS)	Bangladesh
101	Ndayishimiye, Cyprien	Réseau des Institutions de Microfinance (RIM)	Burundi
102	Nguyen, Nhien	Center for International Cooperation	Vietnam
103	Nguyen, Tat Quan	ActionAid Vietnam	Vietnam
104	Niebou, Achille	Cabinet AA.Niebou	Cameroon
105	Nkungi, Benjamin	AMFI Kenya	Kenya
106	Nzongang, Joseph	Université Catholique de Dschang (Cameroun)	Cameroon
107	Ouedraogo, Alpha	Confédération des Institutions Financières (CIF)	Burkina Faso
108	Padmakumar, K.P.	NABARD	India
109	Paramasivaiah, N.T.	Nava Chetana Microfin Services Pvt Ltd	India
110	Pinto, Albin	TBF India	India
111	Pinto, Ana Lucia	FEPCMAC	Peru
112	Prabhu, Nikhil	Delphi	India
113	Premkumar, P.A.	NABARD	India

Number	Name of Verifier	Institution	Country
114	Puter, Lisa	Tembeka Social Investment	South Africa
115	Quddus, Zafrul	EADS (A Research Organization)	Bangladesh
116	Rangaswamy, Ganesh	Unitus	India
117	Rao, D.S.K.	Microcredit Summit Campaign	India
118	Regulagedda, Ramakrishna	GTZ	India
119	Reynolds, Richard	World Vision International	USA
120	Ripley, Dennis	Opportunity International	USA
121	Rodríguez Alas, Tomás	Programa MISION de la Red Centroamericana de Microfinanzas (REDCAMIF)	Nicaragua
122	Roy, Michael A.	S.C.B.R.M.P.L.G.E.D	Bangladesh
123	Ruiz Durán, Clemente	Universidad Nacional Autónoma de México (UNAM)	Mexico
124	Saha, P. K.	SIDBI	India
125	Saha, Sudipto	ACCESS ASSIST	India
126	Sánchez, Raúl	Red KATALYSIS	Honduras
127	Sansone, Philip	Whole Planet Foundation	USA
128	Sarr, Mbaye	Cabinet SARR SARL	Senegal
129	Sati, Neeraj	AXIS Bank Ltd	India
130	Sawadogo, Daoda	Fédération des Caisses Populaires de Burkina Faso (FCPB)	Burkina Faso
131	Sengher, Andre Lat	CARITAS Thiès	Senegal
132	Senghor, Bai	Central Bank of The Gambia	Gambia
133	Shrestha, Shankar Man	Rural Microfinance Development Center Ltd. (RMDC)	Nepal
134	Simanowitz, Anton	University of Sussex	United Kingdom
135	Singh, Gaurav	Grameen Foundation	India
136	Singh, Saneesh	Dia Vikash Pvt, Ltd	India
137	Singh, Sarjeet	Support For Sustainable Society	India
138	Soares, Ricardo	Universidade Federal do Ceará	Brazil
139	Solano, Alberto	Grameen Foundation	Colombia
140	Straight, Justin	HOPE International	USA
141	Sundaram, Kalyana	INAFI India	India
142	Sykes, Justin	Silatech	Qatar
143	Taiwo, Sade	Nigerian Institute of Social and Economic Research - University of Ibadan	Nigeria
144	Tanilir, Mehmet Niyazi	Governorship of Kahramanmaraş Province	Turkey
145	Tanoé, Cyrille	AISFD-CI	Côte d'Ivoire
146	Thy, Yuthear	AMRET	Cambodia
147	Torrington, Katie	FINCA International	USA
148	Touhid, Gulam	Palli Karma-Sahayak Foundation (PKSF)	Bangladesh
149	Tran, Van Dam	Vietnam Bank for Agriculture and Rural Development	Vietnam
150	van de Voorde, Herman	CAFIR/PADSA (at DANIDA)	Benin
151	Vandeweerd, Luc	Appui au Développement Autonome Luxembourg	Luxembourg

Number	Name of Verifier	Institution	Country
152	Vega, Juan	PROMIFIN	Nicaragua
153	Victor, C.S. Roche	Resource Institute for Social Education (RISE)	India
154	Wanta, Steve Mathew	Whole Planet Foundation	USA
155	Wiyo, Kenneth A.	Centre for Agricultural Research & Development, Bunda College of Agriculture	Malawi
156	Wright, Graham A. N.	MicroSave India	India
157	Xiao, Rong	Give2Asia	People's Republic of China
158	York, Anna	Innovation for Poverty Action (IPA)	USA
159	Zayat, Rizkallah G.	USAID	Egypt

Appendix III: Institutions and Individuals that Submitted an Action Plan in 2010

Council of Advocates

Centre pour la Promotion de la Photographie, Democratic Republic of Congo
Country Women Association of Nigeria, Nigeria
Institute for International Urban Development, United States
International Pentecostal Holiness Church, Democratic Republic of Congo
World Savings Banks Institute, Belgium

Council of Banks and Commercial Finance Institutions

Jitegemee Trust Ltd., Kenya

Council of Corporations

Nordic House of Microfinance, Sweden
Social Enterprise Associates, USA

Council of Domestic Government Agencies

Central Bank of Sudan, Sudan
Central Bank of The Gambia, The Gambia

Council of Educational Institutions

Burgundy School of Business (ESC Dijon), France
Facultad de Ciencias Económicas y Sociales (FACES) – Universidad Metropolitana, Venezuela
Graduate College of Aviation, Sierra Leone
International University of Business Agriculture and Technology, Bangladesh
MFI Connect, USA
Middle East Technical University, Turkey
Southern Illinois University, School of Social Work, USA

Council of Foundations and Philanthropists

Feed The Hunger Foundation, USA
Fondation Sen'Finances, Senegal
Fundación Nantik Lum (Foro Nantik Lum de MicroFinanzas), Spain
Hope For The Future Foundation, Switzerland
Linked Foundation, USA
Mulchand and Parpati Thadhani Foundation, USA

Council of Individual Supporters

Andre Mabula, South Africa
Jong Sung Kim, USA
Laura Hawkins, Canada
Laura Heaphy, Canada
Francis Minien, USA
Joanne Sow Hup Chan, People's Republic of China
Melina Denebeim, USA
Dr. Mujibur Rahman Khan, Bangladesh
Nadine Walther, USA
Norbert Benker, Germany
Patrick Yankey, Ghana
Raeesa Moola, South Africa
Zaib Nisa, USA

Council of International Financial Institutions

Arab Gulf Program for United Nations Development Organization (AGFUND), Saudi Arabia
BlueOrchard Finance, S.A., Switzerland

Council of Non-Governmental Organizations (NGOs)

Abutia Youth Association, Ghana
Cape Centre for Children, Families and Refugees in Distress, South Africa
Corporación Mundial de la Mujer Colombia – Bogotá, Colombia
Freedom from Hunger Ghana / Development Action Association, Ghana
GRASSE, Microfinance Unit, Cameroon
Groupe de Découverte des Potentiels de l'Afrique, Togo
Heifer International – Kenya, Kenya
Kiva, USA
Microfinance without Borders, United Kingdom
Monde Des Enfants, Togo
Multi Purpose Project Development Society, India
New Age Spirit International Organization, Nigeria
NGO Hope for Children, Côte d'Ivoire
Rajseeli Rural Development Trust, India
Swyam Social Welfare Organization, India
Tostan, Senegal
Trickle Up, USA
VISA Voluntary Sanstha, India

Council of Practitioners

A Self-Help Assistance Program Malawi, Malawi
A Self-Help Assistance Program Zimbabwe, Zimbabwe
Aakay ANG Milamdec Microfinance Foundation, Inc., Philippines
ACCESS Development Services, India
ActionAid Ghana, Ghana
Ad-din Welfare Centre – Jessore, Bangladesh
Addis Credit and Saving Institution, Ethiopia
Adhikar, India
Adra Ghana Microfinance Foundation, Ghana
ADRA Perú, Peru
African Underprivileged Children's Foundation, Nigeria
Agencia Adventista para el Desarrollo y Recursos Asistenciales, Honduras
Agencia para el Desarrollo Integral Comunitario de Honduras, Honduras
Agricultural Science Foundation, India
AgroAMIGO – Banco do Nordeste do Brasil S/A, Brazil
Aidez Small Project International, Ghana
Akhawat, Pakistan
Al Falah Aam Unnayan Sangstha, Bangladesh
Alalay Sa Kaunlaran Sa Gitnang Luzon, Inc., Philippines
Al-Amal Microfinance Bank, Yemen
Alcance Financiera, S.A. de C.V., SOFOM, E.N.R., Mexico
Alexandria Business Association - Small and Micro Enterprise, Egypt
All India Association for Micro-Enterprise Development, India
All India Women's Conference, India
Alliance of Philippine Partners in Enterprise Development, Philippines
Al-Mehran Rural Development Organization, Pakistan
Al-Tadamun Microfinance Foundation, Egypt
Alternativas de Inversión Progresar SAC, Peru
Amanah Ikhtiar Malaysia, Malaysia
Ámbito Productivo S.A. de C.V. SOFOM ENR, Mexico

Council of Practitioners, continued

Amhara Credit and Savings Institution, Ethiopia	Ayúdense y Nosotros les Ayudaremos - Asociación Chito' Iwib' Xukuje' Ri Uj Quixkat o'o, Guatemala
Ananya Finance for Inclusive Growth Pvt. Ltd., India	Banco Ademi, S.A. (Asociación para el Desarrollo de Microempresas), Dominican Republic
Annesha Foundation, Bangladesh	Banco de Ahorro y Crédito ADOPEM, S.A., Dominican Republic
Ansar - VDP Unnayan Bank, Bangladesh	Banco de Cooperación Financiera de Los Trabajadores, El Salvador
Apoyo Económico Familiar, S.A. de C.V., Mexico	Banco de la Gente Emprendedora, Bangente, C.A., Venezuela
Apoyo Promotora S.A. de C.V., SOFOM ENR, Mexico	Banco de las Microfinanzas Bancamía S.A., Colombia
ASA Ghana, Ghana	Banco de los Trabajadores de San Miguel, El Salvador
ASA Pakistan Limited, Pakistan	Banco do Nordeste do Brasil S/A – Crediamigo, Brazil
Asasah, Pakistan	Banco FIE S.A., Bolivia
ASHRAI, Bangladesh	Banco FINCA, Ecuador
Asmitha Microfin Limited, India	Banco Hondureño Del Café (BANHCAFE), Honduras
Asociación ADRI, Costa Rica	Banco Solidario S.A., Ecuador
Asociación Alternativa para el Desarrollo Integral de las Mujeres, Nicaragua	Bandhan Financial Services Pvt. Ltd., India
Asociación Benéfica PRISMA, Peru	Bandhu Kallyan Foundation, Bangladesh
Asociación Civil "AVANZAR por el Desarrollo Humano", Argentina	Bangladesh Association for Social Advancement, Bangladesh
Asociación Costa Rica Grameen, Costa Rica	Bangladesh Development Society, Bangladesh
Asociación Costarricense para Organizaciones de Desarrollo (ACORDE), Costa Rica	Bangladesh Environment Development Organisation, Bangladesh
Asociación de Consultores para el Desarrollo de la Pequeña y Mediana Empresa, Nicaragua	Bangladesh Extension Education Services, Bangladesh
Asociación de Familia y Medio Ambiente, Honduras	Bangladesh Krishi Bank, Bangladesh
Asociación de Instituciones Financieras para el Desarrollo Rural – FINRURAL, Bolivia	Bangladesh Rural Development Board, Bangladesh
Asociación de Mujeres en Desarrollo – MUDE, Guatemala	Banque Tunisienne de Solidarité, Tunisia
Asociación de Oportunidad y Desarrollo Económico de Nicaragua, Nicaragua	Banrural Grameen Microfinanzas, Guatemala
Asociación Fondo de Desarrollo Regional, Peru	BASTOB-Initiative for People's Self-Development, Bangladesh
Asociación Mexicana de la Transformación Rural y Urbana, A.C., Mexico	Bina Kasih Foundation (or Yayasan Bina Kasih Luwuk), Indonesia
Asociación Nacional Ecuémica de Desarrollo, Bolivia	Bina Swadaya, Indonesia
Asociación Nicaragüense de Instituciones de Microfinanzas, Nicaragua	BRAC, Bangladesh
Asociación para el Desarrollo Comunitario, Honduras	BRAC Liberia Microfinance Company Limited, Liberia
Asociación para el Desarrollo de las Cajas Rurales, Panama	BRAC Microfinance Afghanistan, Afghanistan
Asociación para el Desarrollo Integral Rural, Guatemala	BRAC Microfinance Limited Sierra Leone, Sierra Leone
Asociación Para Inversión y Empleo (ASPIRE), Dominican Republic	BRAC Pakistan, Pakistan
ASP Financiera, Mexico	BRAC Tanzania, Tanzania
ASPADA Paribesh Unnayan Foundation, Bangladesh	BRAC Uganda, Uganda
Assistance for Social Organization and Development, Bangladesh	BRAC USA, USA
Association de Marins, Democratic Republic of Congo	Brain Society, India
Association d'Entraide Communautaire, Democratic Republic of Congo	BRIDGE - Bangladesh Rural Integrated Development for Grub-Street Economy, Bangladesh
Association d'Entraide Professionnelle, Lebanon	Brooks Microfinance Bank Ltd., Nigeria
Association des Caisses de Financement à la Base, Benin	BSS Microfinance Private Limited, India
Association EMBLEM D'AMOUR, Togo	BURO Bangladesh, Bangladesh
Association for Rural Advancement in Bangladesh, Bangladesh	Business Initiatives and Management Assistance, Kenya
Association for Social Advancement (ASA Bangladesh), Bangladesh	BWDA Finance Limited, India
Association of Asian Confederation of Credit Unions, Thailand	CADEFINANCE, Côte d'Ivoire
Association of Cambodian Local Economic Development Agencies Bank Ltd., Cambodia	Caisse Coopérative d'Epargne et de Crédit Mutuel, Burundi
Association of Development for Economic and Social Help, Bangladesh	Caisse Ivoirienne de Crédit et d'Epargne, Côte d'Ivoire
Association of Microfinance Institutions of Uganda, Uganda	Caja de Compensación Familiar de Antioquia, Colombia
Association of Productive Entrepreneurship, Ghana	Caja de Crédito Atiquizaya, El Salvador
Association pour la Promotion de l'Entreprise de Madagascar, Madagascar	Caja de Crédito de Acajutla, El Salvador
Association pour la Promotion et l'Appui au Développement des Micro-Entreprises, Benin	Caja de Crédito de Aguilares, El Salvador
Association pour le Droit à l'Initiative Economique, France	Caja de Crédito de Armenia, El Salvador
Association Professionnelle des Institutions de Microfinance du Mali, Mali	Caja de Crédito de Candelaria de la Frontera, El Salvador
Association Professionnelle des Systèmes Financiers Décentralisés de Côte d'Ivoire, Côte d'Ivoire	Caja de Crédito de Chalchuapa, El Salvador
ATMABISWAS, Bangladesh	Caja de Crédito de Ciudad Barrios, El Salvador
	Caja de Crédito de Colón, El Salvador
	Caja de Crédito de el Chilamatal, El Salvador

Council of Practitioners, continued

Caja de Crédito de la Libertad, El Salvador	Catholic Relief Services Senegal, Senegal
Caja de Crédito de San Agustín, El Salvador	Catholic Relief Services Sierra Leone, Sierra Leone
Caja de Crédito de San Salvador, El Salvador	Catholic Relief Services Sudan, Sudan
Caja de Crédito de San Sebastián, El Salvador	Catholic Relief Services Tanzania, Tanzania
Caja de Crédito de Santa Ana, El Salvador	Catholic Relief Services Uganda, Uganda
Caja de Crédito de Santiago Nonualco, El Salvador	Catholic Relief Services USCCB, USA
Caja de Crédito de Sensuntepeque, El Salvador	Catholic Relief Services Zambia, Zambia
Caja de Crédito de Sonsonate, El Salvador	Catholic Relief Services Zimbabwe, Zimbabwe
Caja de Crédito de Soyapango, El Salvador	Caurie - Micro Finance, Senegal
Caja de Crédito de SUCHITOTO S.C. de R.L. de C.V., El Salvador	Cauvery Kalpatharu Grameen Bank, India
Caja de Crédito de Tenancingo, El Salvador	CEDI Finance Foundation, Ghana
Caja de Crédito de Tonacatepeque, El Salvador	Central Credit Union of Swadaya Utama, Indonesia
Caja de Crédito de Usulután (Sociedad Cooperativa de Responsabilidad Limitada de C.V.), El Salvador	Centre Béninois pour le Développement des Initiatives à la Base, Benin
Caja de Crédito de Zacatecoluca, El Salvador	Centre for Action Research-Barind, Bangladesh
Caja de Crédito y Ahorro de San Juan Opico, Soc. Coop. de R.I. de C.V., El Salvador	Centre for Advanced Research and Social Action, Bangladesh
Caja Municipal de Ahorro y Crédito de Arequipa, Peru	Centre for Agriculture & Rural Development, Ghana
Caja Municipal de Ahorro y Crédito de Cusco, Peru	Centre for Agriculture and Rural Development Mutually Reinforcing Institutions (CARD), Philippines
Caja Municipal de Ahorro y Crédito de Huancayo, Peru	Centre for Development Innovation and Practices, Bangladesh
Caja Municipal de Ahorro y Crédito de Maynas, Peru	Centre for Grassroots Economic Empowerment, Nigeria
Caja Municipal de Ahorro y Crédito de Sullana, Peru	Centre for Mass Education in Science, Bangladesh
Caja Municipal de Ahorro y Crédito de Tacna, Peru	Centre for Self-Help Development, Nepal
Caja Municipal de Ahorro y Crédito de Trujillo, Peru	Centre for Women Co-operative Development, Pakistan
Caja Rural de Ahorros y Crédito El Señor Del Luren, Peru	Centro de Apoyo al Microempresario, I.A.P., Mexico
Cambodian Community Savings Federation, Cambodia	Centro de Estudio, Promoción Y Asistencia Social, Panama
CAMEC Nationale, Mali	Centro de Investigación y Desarrollo Regional, Bolivia
Capital Aid Fund for Employment of the Poor - Ho Chi Minh City, Vietnam	Centro de Promoción y Empleo para el Sector Informal Urbano, Ecuador
CARE International Au Niger, Niger	Centro de Reorientación Familiar y Comunitaria, El Salvador
CARE International in Ethiopia, Ethiopia	Centro Integral de Rehabilitación, Colombia
CARE International in Kenya, Kenya	CERP GALA LETU, Democratic Republic of Congo
CARE International in Malawi, Malawi	CHF International ACSI, Lebanon
CARE International in Mali, Mali	Chhimek Bikas Bank Ltd., Nepal
CARE International in Rwanda, Rwanda	Chifeng Zhaowuda Women's Sustainable Development Association, People's Republic of China
CARE International in Tanzania, Tanzania	ChildFund Afghanistan Microfinance, Afghanistan
CARE International in Uganda, Uganda	China Foundation for Poverty Alleviation, People's Republic of China
CARITAS Bangladesh, Bangladesh	Chirar Urimai Mandram Dindigul Vattaram, India
Casa Campesina de Cayambe, Ecuador	Closed Joint-Stock Company "FINCA Microcredit Company", Kyrgyzstan
CASHPOR Micro Credit, India	COAC Jardín Azuayo, Ecuador
Catholic Relief Services Benin, Benin	COAC Mushuc Runa, Ecuador
Catholic Relief Services Burkina Faso, Burkina Faso	Coastal Association for Social Transformation Trust, Bangladesh
Catholic Relief Services Burundi, Burundi	Community Development Society, India
Catholic Relief Services Cameroon, Cameroon	Community Finance Resource Centre, Vietnam
Catholic Relief Services Central African Republic, Central African Republic	Community Support Concern, Pakistan
Catholic Relief Services Eritrea, Eritrea	Community Women Development Centre, Nepal
Catholic Relief Services Ethiopia, Ethiopia	Concern for Environmental Development and Research, Bangladesh
Catholic Relief Services Ghana, Ghana	Concern Universal Microfinance Operations, Malawi
Catholic Relief Services Kenya, Kenya	Consejo de Desarrollo de la Zona Sur, Dominican Republic
Catholic Relief Services Lesotho, Lesotho	Conserva A.C., Mexico
Catholic Relief Services Liberia, Liberia	Consorcio de ONGs Promoción de la Mujer y la Comunidad, Peru
Catholic Relief Services Madagascar, Madagascar	Consorcio de Organizaciones Privadas de Promoción a la Pequeña y Microempresa de Perú, Peru
Catholic Relief Services Malawi, Malawi	Consultores Agropecuarios y Forestales Asociados, S.A. de C.V., Mexico
Catholic Relief Services Mali, Mali	COOPEC AGRI, Democratic Republic of Congo
Catholic Relief Services Niger, Niger	Cooperativa de Ahorro y Crédito 4 de Octubre, Ecuador
Catholic Relief Services Nigeria, Nigeria	Cooperativa de Ahorro y Crédito Acción Rural Ltda., Ecuador
Catholic Relief Services Rwanda, Rwanda	

Council of Practitioners, continued

Cooperativa de Ahorro y Crédito Ambato, Ecuador	Development Promotion Group, India
Cooperativa de Ahorro y Crédito Artesanos, Ecuador	Development Support Team, India
Cooperativa de Ahorro y Crédito Chone Ltda., Ecuador	Dhaka Ahsania Mission, Bangladesh
Cooperativa de Ahorro y Crédito CREDICOOP, Chile	Diaspora Finances, Côte d'Ivoire
Cooperativa de Ahorro y Crédito de Santander Ltda., Colombia	Don Apoyo S.A. de C.V. Sofom E.N.R., Mexico
Cooperativa de Ahorro y Crédito Desarrollo de los Pueblos, Ecuador	Dronik, S.A.P.I. de C.V. SOFOM E.N.R., Mexico
Cooperativa de Ahorro y Crédito Fernando Daquilema Ltda., Ecuador	Dunduliza, Tanzania
Cooperativa de Ahorro y Crédito Fondvida, Ecuador	Dushtha Shasthya Kendra, Bangladesh
Cooperativa de Ahorro y Crédito Kullki Wasi, Ecuador	DWIP Unnayan Sangstha, Bangladesh
Cooperativa de Ahorro y Crédito La Benéfica, Ecuador	ECLOF- Ecuador, Ecuador
Cooperativa de Ahorro y Crédito La Nacional, Ecuador	ECLOF Lanka Guarantee Ltd., Sri Lanka
Cooperativa de Ahorro y Crédito Los Andes Cotarusi Aymaraes, Peru	Eco Social Development Organisation, Bangladesh
Cooperativa de Ahorro y Crédito Luz del Valle, Ecuador	Ecofuturo S.A. Fondo Financiero Privado, Bolivia
Cooperativa de Ahorro y Crédito Maquita Cushunchic Ltda., Ecuador	Edpyme Acceso Crediticio S.A., Peru
Cooperativa de Ahorro y Crédito Minga Ltda., Ecuador	Edpyme Proempresa S.A., Peru
Cooperativa de Ahorro y Crédito Mujeres Unidas - Tantanakushka Warmikunapak – "CACMU Ltda.", Ecuador	Edpyme Raiz, Peru
Cooperativa de Ahorro y Crédito SAC, Ecuador	Edpyme SOLIDARIDAD, Peru
Cooperativa de Ahorro y Crédito San Antonio, Ecuador	Emprenda, Argentina
Cooperativa de Ahorro y Crédito San Gabriel, Ecuador	Emprender, Bolivia
Cooperativa de Ahorro y Crédito San José Ltda., Ecuador	En las Huellas del Banco Grameen, Ecuador
Cooperativa de Ahorro y Crédito San Miguel de Pallatanga, Ecuador	enda inter-arabe, Tunisia
Cooperativa de Ahorro y Crédito Santa Anita, Ecuador	Ensure Development Activities for Vulnerable Underprivileged Rural People, Bangladesh
Cooperativa de Ahorro y Crédito Tabacalera y Agropecuaria Ltda., Colombia	Enterprise Mentors El Salvador, El Salvador
Cooperativa de Ahorro y Crédito UCADE Padre Vicente Ponce Rubio, Ecuador	Enterprise Mentors Guatemala, Guatemala
Cooperativa Multiactiva de Desarrollo Social Ltda. (CIDES), Colombia	Enterprise Mentors Honduras, Honduras
Cooperative Bank of Benguet, Philippines	Enterprise Mentors International, USA
Coopérative d'Épargne et de Crédit Bolingo, Republic of Congo	Enterprise Mentors Perú, Peru
COOPROGRESO, Ecuador	Enterprise Mentors Philippines, Philippines
Corporación Acción Por El Atlántico Actuar Famiempresas, Colombia	Environment Development Co-Operative Organization Limited, Nepal
Corporación el Minuto de Dios, Colombia	Equipe Pastorale auprès des Enfants en détresse, Democratic Republic of Congo
Corporación Viviendas Hogar de Cristo, Ecuador	Equipo de Educación y Autogestión Social, Peru
Corporación W.W.B., Chile	Equitas Micro Finance India Private Limited, India
Council for Socio Economic Benevolent Action, India	Equity Bank Limited, Kenya
CRECE SAFSA, S.A. de C.V., Mexico	ESAF Micro Finance and Investments (P) Ltd., India
Crediaavance S.A. de C.V. SOFOM E.N.R., Mexico	Esperanza Internacional, Dominican Republic
Credi-Capital S.A. de C.V. Sofom E.N.R., Mexico	Farmers Development Union, Nigeria
CREDIFE Desarrollo Micro Empresarial - Banco Pichincha, Ecuador	Farmers Friend Organization, Pakistan
Crédit Communautaire d'Afrique, Cameroon	FECECAV-Togo, Togo
Crédit du Sahel, S.A., Cameroon	FEDECREDITO, El Salvador
Crédit Mutuel de Côte d'Ivoire, Côte d'Ivoire	Federación Peruana de Cajas Municipales de Ahorro y Crédito, Peru
Crédit Rural de Guinée S. A., Guinea	Fédération des Caisses Populaires du Burkina, Burkina Faso
Crédito con Educación Rural, Bolivia	Fédération des ONG du Senegal, Senegal
CRESA Financial Services (CFS) Private Ltd., India	Fédération des Unions Coopératives Epargne et Crédit, Togo
Daan Sa Pag-Unlad Inc., Philippines	Femme Développement Entreprise en Afrique, Senegal
Daasgift Quality Foundation, Ghana	Ficrea, S.A. de C.V., Mexico
Dak Diye Jai, Bangladesh	FIE Gran Poder, Argentina
Dakahlya Businessmen's Association for Community Development, Egypt	Finacen, S.A. de C.V. Sofom, E.N.R., Mexico
Dedebit Credit and Saving Institution Share Company, Ethiopia	Financiera Compartamos, S.A., Institución de Banca Múltiple, Mexico
Deprosc Development Bank Ltd., Nepal	Financiera Confianza, Peru
Deva Access and Empowerment International LTD/GTEE, Nigeria	Financiera Créditos Arequipa, Peru
Development Action for Mobilization and Emancipation, Pakistan	Financiera EDYFICAR S.A., Peru
Development and Employment Fund / Reyada, Jordan	Financiera Efectiva S.A., Peru
Development Initiative for Social Advancement, Bangladesh	Financiera FAMA, Nicaragua
Development Project Service Centre, Nepal	Financiera FINCA Honduras, Honduras
	Financiera Independencia, S.A. de C.V. SOFOM, Mexico

Council of Practitioners, continued

Financiera Mexicana para el Desarrollo Rural, Mexico	Fundación para el Desarrollo Integral Espoir, Ecuador
FINCA Azerbaijan, Azerbaijan	Fundación para el Desarrollo Microempresarial D-MIRO Misión Alianza – Ecuador, Ecuador
FINCA de El Salvador, El Salvador	Fundación para el Desarrollo Socio-económico Rural, Nicaragua
FINCA Guatemala, Guatemala	Fundación Para la Promoción y el Desarrollo, Nicaragua
FINCA Haiti, Haiti	Fundación Paraguaya de Cooperación y Desarrollo, Paraguay
FINCA Jordan, Jordan	Fundación Pro Vivienda Social, Argentina
FINCA Malawi, Malawi	Fundación Progresar, Argentina
FINCA México A.C., Mexico	Fundación Realidad A.C., Mexico
FINCA Nicaragua, Nicaragua	Fundación Unión y Desarrollo de Comunidades Campesinas, Costa Rica
FINCA Perú, Peru	Funding the Poor Cooperative - Chinese Academy of Social Sciences, People's Republic of China
FINCA Tajikistan, Tajikistan	FUNED VisionFund OPDF, Honduras
FINCA Uganda, Uganda	Gambia Rural Development Agency, The Gambia
Fondation Banque Populaire pour le Microcrédit, Morocco	Gambia Women's Finance Association, The Gambia
Fondo de Desarrollo Comunal, Bolivia	Gasha Micro-Financing S.C., Ethiopia
Fondo de Desarrollo Local, Nicaragua	Ghana Cooperative Susu Collections Associations, Ghana
Fondo de Desarrollo Microempresarial, Ecuador	Ghana Microfinance Network, Ghana
Fondo Ecuatoriano Populorum Progreso, Ecuador	Ghashful, MCH FP & FW Association, Bangladesh
Fondo para el Desarrollo Social de la Ciudad de México, FONDESOC, Mexico	Gono Kallayan Trust, Bangladesh
Fonds d'Appui aux Activités Rémunératrices des Femmes, Burkina Faso	Gono Unnayan Prochesta, Bangladesh
Fonkoze - Fondasyon Kole Zepòl, Haiti	Gram Unnayan Karma, Bangladesh
Forum for Rural Women Ardency Development, Nepal	Grama Siri, Andra Pradesh, India
Foundation for Women, USA	Grama Vidiyal Micro Finance Limited, India
Foundation for Women Liberia, Liberia	Grameen Aval Colombia, Colombia
Freedom from Hunger, USA	Grameen Bank, Bangladesh
Freedom from Poverty, Nigeria	Grameen de la Frontera A.C., Mexico
Fund for the Encouragement of Self-Reliance, Vietnam	Grameen Development Services, India
Fundación 4i-2000, Nicaragua	Grameen Financial Services Pvt Ltd., India
Fundación Adelante, Honduras	Grameen Foundation, USA
Fundación Agrocapital, Bolivia	Grameen Ghana, Ghana
Fundación Alternativa 3, Argentina	Grameen Jano Unnayan Sangstha, Bangladesh
Fundación Alternativa para el Desarrollo, Ecuador	Grameen Manobic Unnayan Sangstha, Bangladesh
Fundación Amanecer, Colombia	Grameen Trust, Bangladesh
Fundación Banlgualdad, Chile	Grameen Trust Chiapas A.C., Mexico
Fundación Boliviana para el Desarrollo de la Mujer, Bolivia	Grandissons Ensembles - Tokola Elongo, Democratic Republic of Congo
Fundación Chispa – MiCrédito, Nicaragua	Grassroots Health Organization of Nigeria, Nigeria
Fundación Crysol, Guatemala	Grooming People for Better Livelihood Centre, Nigeria
Fundación de Asesoría Financiera a Instituciones de Desarrollo y Servicio Social, FAFIDESS, Guatemala	Growing Opportunity Finance Pvt. Ltd., India
Fundación de Asistencia para la Pequeña Empresa, Guatemala	Guidance Society for Labor, Orphans and Women, India
Fundación de Ayuda Microempresarial, Ecuador	Hagdan Sa Pag-Uswag Foundation, Philippines
Fundación de Desarrollo Empresarial y Agrícola, Guatemala	Halley Movement, Mauritius
Fundación Diaconia FRIF, Bolivia	Hattha Kaksekar Limited, Cambodia
Fundación ECOPEPETROL para el Desarrollo del Magdalena Medio, Colombia	HEED Bangladesh (Health Education and Economic Development Bangladesh), Bangladesh
Fundación FUNDVIS, Argentina	Heifer Project International China, People's Republic of China
Fundación GENESIS Empresarial, Guatemala	Hilful Fuzul Samaj Kallyan Sangstha, Bangladesh
Fundación Hidalguense, A.C., Mexico	Holy Cross Social Service Centre, India
Fundación Hondureña Para el Desarrollo de la Micro Empresa FUNDAMICRO, Honduras	HOPE, Bangladesh
Fundación José Nieborowski, Nicaragua	HOPE Foundation, India
Fundación Mario Santo Domingo, Colombia	IDEPRO Desarrollo Empresarial, Bolivia
Fundación Mundial de la Mujer Bucaramanga, Colombia	Incubadora de Microempresas Productivas, Bolivia
Fundación Mundo Mujer – Popayán, Colombia	Instituto de Investigaciones Socio-Económicas y Tecnológicas, Ecuador
Fundación para el Desarrollo de la Vivienda Social y Urbana, Honduras	Instituto Hondureño de Estudio y Desarrollo Integral de la Comunidad (INHDEI), Honduras
Fundación para el Desarrollo de Nueva Segovia, Nicaragua	Instituto Para el Desarrollo Hondureño, Honduras
Fundación para el Desarrollo Integral de Programas Socioeconómicos, Guatemala	

Council of Practitioners, continued

Instituto para la Superación de la Miseria Urbana de Guatemala, Guatemala	Microcrédito Para El Desarrollo Mide Cusco, Peru
Integrated Development Foundation, Bangladesh	Microempresas de Antioquia, Colombia
International Network of Alternative Financial Institutions (Latin America), Costa Rica	Microenterprise Development Fund KAMURJ, Armenia
Invirtiendo S.A. de C.V. Sofom E.N.R., Mexico	Microfinance Centre for Central and Eastern Europe and the Near East, Poland
Islami Bank Bangladesh Limited, Bangladesh	Microfinanzas Arariwa, Peru
Jagorani Chakra Foundation, Bangladesh	Microfund for Women, Jordan
Jana Utthan Samudayic Bank Ltd., Nepal	Mitra Bisnis Keluarga Ventura – “Family Business Partners”, Indonesia
Jeevan Bikas Samaj, Nepal	Mitra Dhu’afa Foundation, Indonesia
Jinnah Welfare Society, Pakistan	MOUSUMI, Bangladesh
Jordan Microcredit Company / Tamweelcom, Jordan	Movimiento Manuela Ramos, Peru
Joypurhat Rural Development Movement, Bangladesh	Muslim Aid UK - Bangladesh Field Office (Muslim Aid Bangladesh), Bangladesh
Justice, Development and Peace Commission, Nigeria	Mutuelle de Services Financiers pour la Prospérité (MSFP), Benin
Kabalikat Para Sa Maunlad Na Buhay, Inc., Philippines	Mutuelle d’Epargne et de Crédit d’Appui pour le Développement de la Femme, Democratic Republic of Congo
Kactia Co-operative Finance, Uganda	Nabolok Parishad, Bangladesh
Kafo Jiginew, Mali	NACEC-R, Cameroon
Kapitalmujer S.A de C.V. Sofom E.N.R., Mexico	NALT – NUSHO Foundation, Nigeria
Karnataka Regional Organization for Social Service, India	Nano Financial Services India Private Limited, India
Kashf Foundation, Pakistan	Naria Unnayan Samity, Bangladesh
Katalysis Red Microfinanciera Centroamericana, Honduras	Narowal Rural Development Program, Pakistan
Kayonza Microfinance Sacco LTD., Uganda	National Association for Microfinance Institutions in Cameroon, Cameroon
Kazama Grameen Inc., Philippines	National Bank for Agriculture and Rural Development, India
Kenya Agency for Development of Enterprise and Technology, Kenya	National Bank of Cambodia, Cambodia
Kenya Ecumenical Church Loan Fund, Kenya	National Development Programme, Bangladesh
Kenya Women’s Finance Trust, Kenya	National Development Society, Bangladesh
Kerala Rural Development Society, India	National Microfinance Bank / Watani, Jordan
Khushhali Bank Limited, Pakistan	National Microfinance Foundation, Yemen
KIEDF, Israel	National Rural Support Programme, Pakistan
Kisan Co-Operatives Ltd., Nepal	Nav Bharat Jagriti Kendra, India
Kosovo Grameen Missione Arcobaleno Microcredit Fund, Kosovo	Negros Women for Tomorrow Foundation, Philippines
Kotalipara Development Society, India	Nerude Laghubitta Bikas Bank Ltd., Nepal
Kraban Support Foundation, Ghana	Network of Entrepreneurship & Economic Development, India
Lanka Microfinance Practitioners’ Association, Sri Lanka	Nicaraguan Community Development Loan Fund/ PRESTANIC, Nicaragua
LEAD Foundation (Egyptian Foundation for Enterprise Development), Egypt	Nigerian Agricultural Cooperative and Rural Development Bank, Nigeria
Liberation Movement for Women, India	Nirantara Community Services, India
Lift Above Poverty Organization, Nigeria	Nirdhan Utthan Bank Limited, Nepal
L’Union des Mutuelles du Partenariat pour la Mobilisation de l’Epargne et du Crédit au Sénégal, Senegal	Nissi Global (Private) Limited, Zimbabwe
Madura Micro Finance, Ltd., India	Noakhali Rural Development Society, Bangladesh
Mahasemam Trust, India	North Malabar Gramin Bank, India
Mahila Arthik Vikas Mahamandal Ltd., India	North Sinai Businessmen Association, Egypt
Malawi Rural Finance Company, Ltd., Malawi	Nowabenki Gonomukhi Foundation, Bangladesh
MAMATA, Bangladesh	NOWZUWAN, Bangladesh
Manabik Shahajya Sangstha, Bangladesh	NURU International, Kenya
Manila Community Services, Inc., Philippines	OASIS Microfinance, Cameroon
MANUSHI, Nepal	Omo Microfinance Institution S.C., Ethiopia
Marang Financial Services, South Africa	ONG A.C.M., Togo
MC2 Network/ADAF (Réseau MC2), Cameroon	ONG CESOL ACJ, Ecuador
McLevy Institute of Development Services, India	ONG Espoir de la Famille, Benin
MECAD/PO, Burkina Faso	ONG FACES, Ecuador
Micro Credit for Development and Transformation Cooperative Savings and Credit Society Ltd., Uganda	ONG UCADE Ambato, Ecuador
Micro Enterprise Development Network, Uganda	ONG UCADE Guaranda, Ecuador
Microcredit for the Poorest Women, South Africa	ONG UCADE Santo Domingo, Ecuador
Microcredit Foundation EKI, Bosnia and Herzegovina	Oportunidad Latinoamérica Colombia, Colombia
	Oportunidad Microfinanciera Latinoamericana OMLA S.A., Argentina
	OPP-Orangi Charitable Trust, Pakistan
	Opportunity International Bank of Malawi, Malawi

Council of Practitioners, continued

Opportunity Kenya Ltd., Kenya	Rangpur Dinajpur Rural Service Bangladesh, Bangladesh
Opportunity Uganda, Uganda	Red Argentina de Instituciones de Microcrédito (RADIM), Argentina
Organización de Desarrollo Empresarial Femenino, Honduras	Red de Instituciones de Microfinanzas de Guatemala (REDIMIF), Guatemala
Orix Leasing Pakistan Limited, Pakistan	Red de Instituciones de Microfinanzas de Honduras (REDMICROH), Honduras
Oromia Credit & Saving Share Company, Ethiopia	Red Financiera Comunitaria REFICOM – CDRO, Guatemala
Oxfam America, USA	Red Financiera Rural, Ecuador
OXUS Afghanistan, Afghanistan	Red Panameña de Microfinanzas (REDPAMIF), Panama
OXUS Holding, France	Réseau des Caisses d'Épargne et de Crédit Nyèsigiso, Mali
OXUS Kyrgyzstan, Kyrgyzstan	Réseau des Institutions de Microfinance au Burundi, Burundi
OXUS Tajikistan, Tajikistan	Resource Integration Centre, Bangladesh
PADAKHEP Manabik Unnayan Kendra, Bangladesh	Rukiga SACCO, Uganda
PADES TOGO, Togo	Rural Community Development Society, Pakistan
Pagasa Philippines Lending Company International, Philippines	Rural Finance Project, The Gambia
PAGE Development Centre, Bangladesh	Rural Reconstruction Foundation, Bangladesh
PAHAL, India	Rural Women Development Centre, Nepal
Palashipara Samaj Kallayan Samity, Bangladesh	Saadhana Microfin Society, India
Palli Daridro Bimochon Foundation, Bangladesh	Sabalamby Unnayan Samity, Bangladesh
Palli Mongal Karmosuchi, Bangladesh	Sahara Nepal Saving and Credit Cooperative Society Ltd., Nepal
Pally Bikash Kendra, Bangladesh	Sajida Foundation, Bangladesh
Palpa Rara Savings and Credit Cooperative Ltd., Nepal	Salaf Albaraka "FONDEP MC", Morocco
Pamoja Women Development Programme, Kenya	Salone Microfinance Trust, Sierra Leone
Pashchimanchal Grameen Bikas Bank Limited Butwal, Nepal	Samannita Unnayan Seba Sangathan, Bangladesh
Patrimonio Hoy, Mexico	Samastha Lanka Praja Sanwardana Mandalaya, Sri Lanka
PEARL Microfinance Limited, Uganda	Samurdhi Authority of Sri Lanka, Sri Lanka
Peermade Development Society, India	Sanabel - Microfinance Network for the Arab Countries, Egypt
People's Bank of Caraga, Inc., Philippines	Sanghamithra Rural Finance Services, India
People's Multipurpose Development Society, India	Santa Fe de Guanajuato A.C., Mexico
People's Oriented Program Implementation, Bangladesh	Sarhad Rural Support Programme, Pakistan
People's Rural Education Movement, India	Sarvodaya Economic Enterprise Development Services (Gte.) Ltd., Sri Lanka
Perkumpulan Sada Ahmo, Indonesia	Self Reliance Economic Advancement Programme, Nigeria
Phakamani Foundation, South Africa	Self-Help and Rehabilitation Programme, Bangladesh
Plan International - Asia Regional Office, Thailand	Semilla Solidaria, S.A. de C.V., Mexico
Plan International - Region of Americas and Caribbean, Panama	Serviamus Foundation Incorporated, Philippines
Plan International - Region of East and Southern Africa, Kenya	Servicios para la Autogestión Empresarial S.A. de C.V. Sofom E.N.R., Mexico
Plan International - West Africa Regional Office, Senegal	Sewa Bank, India
Port Sudan Association for Small Enterprise Development, Sudan	Shakti Foundation for Disadvantaged Women, Bangladesh
Posobid Unnayan Sangstha, Bangladesh	Shangathita Gramunyan Karnasuchi, Bangladesh
Postbank Uganda Limited, Uganda	Share Microfin Limited, India
Poverty Eradication And Community Empowerment MFI S.CO, Ethiopia	Shariatpur Development Society, Bangladesh
Pretmex, S.A. de C.V. SOFOM E.N.R., Mexico	Sharkia Businessmen Association for Community Development, Egypt
PRIDE Microfinance Limited (Uganda), Uganda	Shishu Niloy Foundation, Bangladesh
PRIDE Tanzania, Tanzania	Shrijana Community Development Center, Nepal
Primer Banco de los Trabajadores de Santa Ana, El Salvador	Sinapi Aba Trust, Ghana
Pro Éxito S.A. De C.V. Sofom E.N.R., Mexico	Sindh Agricultural and Forestry Workers Coordinating Organization, Pakistan
Pro Mujer – Argentina, Argentina	Sindh Rural Support Organization, Pakistan
Pro Mujer – Bolivia, Bolivia	SKS Foundation, Bangladesh
Pro Mujer – México, Mexico	SKS Microfinance Limited, India
Pro Mujer – Nicaragua, Nicaragua	Small & Micro Enterprise Programme, Kenya
Pro Mujer – Perú, Peru	Small Farmers Development Foundation, Bangladesh
Professional Assistance for Development Action, India	Social Development Fund, The Gambia
Programa de Gestión de Recursos Sociales, Peru	Social Solidarity Bank, South Korea
PROGRESS (Akti Samaj Unnayan Mulak Sangstha), Bangladesh	Social Upliftment Society, Bangladesh
Provident México, S.A. de C.V., Mexico	Sociedad de Ahorro y Crédito Apoyo Integral, S.A., El Salvador
Proyas Manobik Unnayan Society, Bangladesh	Sociedad Cooperativa de Ahorro y Crédito AMC de R.L. de C.V., El Salvador
Punjab Rural Support Programme – Lahore, Pakistan	Society Development Committee, Bangladesh
	Society for Development Initiatives, Bangladesh

Council of Practitioners, continued

Society for Social Service, Bangladesh
 Solfi Soluciones Financieras, Mexico
 Solución Asea S. A. de C. V. SFP, Mexico
 Somaj O Jati Gathan, Bangladesh
 Sonata Finance Private Limited, India
 SOS Women - Coopérative Féminine d'Épargne et de Crédit, Cameroon
 South Malabar Gramin Bank, India
 Spandana Sphoorty Financial Limited, India
 Sreema Mahila Samity, India
 Sri Kshetra Dharmasthala Rural Development Project, India
 Srizon Bangladesh, Bangladesh
 Star MicroFin Service Society, India
 State Ministry of National Family Planning Coordinating Board, Indonesia
 Sungi Development Foundation, Pakistan
 Swabalamban Laghubitta Bikas Bank Ltd., Nepal
 Swabi Women Welfare Society, Pakistan
 Swanirvar Bangladesh, Bangladesh
 Swaziland Development Finance Corporation, Swaziland
 SYPO microdevelopment, Uganda
 Système Financier Décentralisé ASUSU S.A., Niger
 Talanta Finance Ltd., Uganda
 Talete King Panyulung Kampangan Inc., Philippines
 Tau Yeu May Fund, Vietnam Women's Union, Vietnam
 Te Creemos, S.A. de C.V. SFP, Mexico
 Thardeep Rural Development Program, Pakistan
 The Aspen Institute, USA
 The Bridge Foundation /Opportunity Microfinance India Ltd., India
 The Christian Enterprise Trust of Zambia - CETZAM Financial Services Limited, Zambia
 The First Microfinance Bank Ltd., Pakistan
 The Hunger Project Uganda, Uganda
 The Institute of Rural Development, Bangladesh
 The SEEP Network, USA
 The Small Enterprise Foundation, South Africa
 The Village Net, Ghana
 The Village Net, Kenya
 Thengamara Mohila Sabuj Sangha, Bangladesh
 Trabajo con Servicios Financieros Enlace, S.A. de C.V., El Salvador
 TSPI Development Corporation, Philippines
 Turkish Grameen Microcredit Project, Turkey
 UCADE LATACUNGA, Ecuador
 UCECTO (Union des Caisses d'Épargne et de Crédit du Togo), Togo
 UCPB-CIIF Finance and Development Corporation, Philippines
 Uganda Agency for Development Ltd., Uganda
 Ujjivan Financial Services Pvt. Ltd., India
 Unión Católica de Apoyo al Desarrollo Comunitario (UCADE), Ecuador
 Union des Clubs d'Épargne et de Crédit Du Moyen-Kebbi, Chad
 Union des Institutions Mutualiste Communautaire d'Épargne et de Crédit, Senegal
 Union Nationale des Coopératives d'Épargne et de Crédit de Côte d'Ivoire, Côte d'Ivoire
 United Development Initiatives for Programmed Actions, Bangladesh
 United Nations Development Program Microfinance Project Executed by Pact Institute in Myanmar, Myanmar
 Unnayan, Bangladesh
 Uttara Development Program Society, Bangladesh
 VAD MICROFINANCE LIMITED, Uganda

Vayalar Memorial Youth Club, India
 Victoria Basin Savings and Microfinance Cooperative Trust Ltd., Uganda
 Vietnam Bank for Social Policies (Vietnam Bank for the Poor), Vietnam
 Village Education Resource Center, Bangladesh
 Village Financial Services Private Limited, India
 Vision India Charitable Trust, India
 VisionFund (Cambodia), Cambodia
 VisionFund Indonesia, Indonesia
 Voluntary Association for Rural Development, Bangladesh
 Wasasa Microfinance Institution, Ethiopia
 Wayamba Development Bank, Sri Lanka
 Welfare Association of Village Environment (WAVE Foundation), Bangladesh
 Welfare Services Ernakulam, India
 Women and Associations for Gain both Economic and Social, Togo
 Women and Youth Development Association Ghana (WOYODA), Ghana
 Women Cooperative Society Ltd., Nepal
 Women Development Savings and Credit Union, Zimbabwe
 Women Support Cooperative Ltd., Nepal
 Women's Development Businesses, South Africa
 Working Women's Forum, India
 World Concern Bangladesh, Bangladesh
 World Relief Honduras, Honduras
 World Vision International, USA
 Yayasan Insan Sembada, Indonesia
 Yehu Microfinance Trust, Kenya
 Young Power in Social Action, Bangladesh

Council of Religious Institutions

Horeb International, India
 Sierra Leone Micro-Credit Empowerment, Sierra Leone

Appendix IV: Institutional Action Plan (IAP) Form for Practitioners in Developing Countries

Strategic Objective		As of 31 December 2009 (actual)	By 31 December 2010 (proposed)	By 31 December 2011 (proposed)
1a	Total number of active clients (clients who currently have a loan)			
1b	Percent of Number 1a, above, who are female	%	%	%
2a	Total number of active clients who were among the poorest ³⁴ when they received their first loan.			
2b	What poverty measurement tool was used to determine Number 2a? ³⁵	<input type="checkbox"/> Estimate <input type="checkbox"/> USAID Poverty Assessment Tool (PAT) <input type="checkbox"/> Progress out of Poverty Index (PPI) <input type="checkbox"/> CASHPOR House Index <input type="checkbox"/> Participatory Wealth Ranking (PWR) <input type="checkbox"/> CGAP Poverty Assessment Tool <input type="checkbox"/> Household Survey <input type="checkbox"/> Below Poverty Line List prepared by the government <input type="checkbox"/> other (describe below):	<input type="checkbox"/> Estimate <input type="checkbox"/> USAID Poverty Assessment Tool (PAT) <input type="checkbox"/> Progress out of Poverty Index (PPI) <input type="checkbox"/> CASHPOR House Index <input type="checkbox"/> Participatory Wealth Ranking (PWR) <input type="checkbox"/> CGAP Poverty Assessment Tool <input type="checkbox"/> Household Survey <input type="checkbox"/> Below Poverty Line List prepared by the government <input type="checkbox"/> other (describe below):	<input type="checkbox"/> Estimate <input type="checkbox"/> USAID Poverty Assessment Tool (PAT) <input type="checkbox"/> Progress out of Poverty Index (PPI) <input type="checkbox"/> CASHPOR House Index <input type="checkbox"/> Participatory Wealth Ranking (PWR) <input type="checkbox"/> CGAP Poverty Assessment Tool <input type="checkbox"/> Household Survey <input type="checkbox"/> Below Poverty Line List prepared by the government <input type="checkbox"/> other (describe below):
2c	Percent of Number 2a, above, who are female	%	%	%
3	Average first loan size (in US\$)	US\$	US\$	US\$

(Note on **4 a,b,c**: Collecting data on the number of clients crossing the poverty threshold is vital for the Microcredit Summit Campaign, particularly in view of our revised goal of helping 100 million families rise above the US \$1.25 per day threshold by 2015. **Please do not answer 4a, 4b or 4c if you did not use one of the following methodologies:** Independent Researcher, USAID Poverty Assessment Tool (PAT) or CGAP-Endorsed Poverty Measurement Tool, which includes PPI. Please submit the IAP even if you have not been able to complete sections 4a, 4b and 4c.)

Strategic Objective		As of 31 December 2009 (actual)	By 31 December 2010 (proposed)	By 31 December 2011 (proposed)
4a	Number of clients who were among the poorest when they took their first loan and have moved above the US\$1.25 a day threshold (or above the bottom 50 percent of the population living below your country's poverty line).			
4b	Which methodology (from the note above Number 4a) was used to measure movement above the US\$1.25 a day threshold (or above the bottom 50 percent of the population living below your country's poverty line)?	<input type="checkbox"/> Independent Researcher <input type="checkbox"/> USAID Poverty Assessment Tool (PAT) <input type="checkbox"/> Progress out of Poverty Index (PPI) <input type="checkbox"/> CGAP Poverty Assessment Tool	<input type="checkbox"/> Independent Researcher <input type="checkbox"/> USAID Poverty Assessment Tool (PAT) <input type="checkbox"/> Progress out of Poverty Index (PPI) <input type="checkbox"/> CGAP Poverty Assessment Tool	<input type="checkbox"/> Independent Researcher <input type="checkbox"/> USAID Poverty Assessment Tool (PAT) <input type="checkbox"/> Progress out of Poverty Index (PPI) <input type="checkbox"/> CGAP Poverty Assessment Tool
4c	Contact information of a Researcher or Trainer who can verify Number 4a	Researcher/ Trainer Name: Researcher/ Trainer E-mail:		

³⁴"Poorest" in developing countries refers to families whose income is in the bottom 50 percent of the population living below their country's poverty line, or those families living on less than US\$1.25 a day per capita, adjusted for purchasing power parity.

³⁵For more information on poverty measurement tools, visit our website at http://www.microcreditsummit.org/movement_above_one_dollar_per_day/details/dpd_progress/, or visit the Microfinance Gateway at <http://www.microfinancegateway.org/p/site/m/template.rc/1.11.48260/1.26.9234/>

Strategic Objective		As of 31 December 2009 (actual)	By 31 December 2010 (proposed)	By 31 December 2011 (proposed)
5a	Total number of active savers			
5b	Average savings per saver (in US\$), <i>(Total savings divided by total number of savers)</i>	US\$	US\$	US\$
5c	Are savings voluntary, mandatory, or both? <i>(check one)</i>	<input type="checkbox"/> voluntary <input type="checkbox"/> mandatory <input type="checkbox"/> both	<input type="checkbox"/> voluntary <input type="checkbox"/> mandatory <input type="checkbox"/> both	<input type="checkbox"/> voluntary <input type="checkbox"/> mandatory <input type="checkbox"/> both
5d	Is savings a fixed amount/flexible amount/both? <i>(check one)</i>	<input type="checkbox"/> fixed amount <input type="checkbox"/> flexible amount <input type="checkbox"/> both	<input type="checkbox"/> fixed amount <input type="checkbox"/> flexible amount <input type="checkbox"/> both	<input type="checkbox"/> fixed amount <input type="checkbox"/> flexible amount <input type="checkbox"/> both
5e	What is the average interest earned by member on savings?	%	%	%
5f	Are savings collected by the practitioner, or does the practitioner only facilitate savings mobilization? <i>(check one)</i>	<input type="checkbox"/> collected by practitioner <input type="checkbox"/> facilitated by practitioner	<input type="checkbox"/> collected by practitioner <input type="checkbox"/> facilitated by practitioner	<input type="checkbox"/> collected by practitioner <input type="checkbox"/> facilitated by practitioner
5g	What percentage of your MFI's loan funds are made up of savings?	%	%	%
6	Which, if any, of the following insurance products are offered to clients? <i>(check as many as relevant)</i>	<input type="checkbox"/> life insurance <input type="checkbox"/> health insurance <input type="checkbox"/> cattle insurance <input type="checkbox"/> other <i>(describe below)</i> :	<input type="checkbox"/> life insurance <input type="checkbox"/> health insurance <input type="checkbox"/> cattle insurance <input type="checkbox"/> other <i>(describe below)</i> :	<input type="checkbox"/> life insurance <input type="checkbox"/> health insurance <input type="checkbox"/> cattle insurance <input type="checkbox"/> other <i>(describe below)</i> :
7	In addition to credit, savings and insurance, what other financial services are offered (e.g. pensions, guarantees, etc.)?			
8	Which business development services, if any, do you offer to your clients? <i>(check as many as relevant)</i>	<input type="checkbox"/> training <input type="checkbox"/> on-site technical assistance <input type="checkbox"/> marketing assistance <input type="checkbox"/> other <i>(describe below)</i> :	<input type="checkbox"/> training <input type="checkbox"/> on-site technical assistance <input type="checkbox"/> marketing assistance <input type="checkbox"/> other <i>(describe below)</i> :	<input type="checkbox"/> training <input type="checkbox"/> on-site technical assistance <input type="checkbox"/> marketing assistance <input type="checkbox"/> other <i>(describe below)</i> :
9	What other non-financial services are offered, if any, to your clients? <i>(check as many as relevant)</i>	<input type="checkbox"/> financial literacy <input type="checkbox"/> health education <input type="checkbox"/> business education <input type="checkbox"/> health services <input type="checkbox"/> gender empowerment <input type="checkbox"/> education on human rights <input type="checkbox"/> other <i>(describe below)</i> :	<input type="checkbox"/> financial literacy <input type="checkbox"/> health education <input type="checkbox"/> business education <input type="checkbox"/> health services <input type="checkbox"/> gender empowerment <input type="checkbox"/> education on human rights <input type="checkbox"/> other <i>(describe below)</i> :	<input type="checkbox"/> financial literacy <input type="checkbox"/> health education <input type="checkbox"/> business education <input type="checkbox"/> health services <input type="checkbox"/> gender empowerment <input type="checkbox"/> education on human rights <input type="checkbox"/> other <i>(describe below)</i> :

Strategic Objective		As of 31 December 2009 (actual)	By 31 December 2010 (proposed)	By 31 December 2011 (proposed)
10	Percentage of Operational Self-Sufficiency (OSS) <i>(Take all financial income generated by interest and commissions and divide by your total operational expenses, including actual financial costs and the provision for loan loss.)</i>	%	%	%

Is your institution a member of one or more national, regional, or global microfinance network(s)? Yes No

If yes, please list networks here:

1.	2.
----	----

If you have more than 5,000 active clients who were among the poorest when they received their first loan (Number 2a), please refer us to two external institutions that can verify the numbers you have reported (preferably a donor agency, government department, research institution, or bank). Verifiers may also be individuals (consultants, researchers, senior officials, etc.) who are familiar with your program and also known for their work in the field of microfinance:

Name:	Institution:	Email /Skype:	Phone (with country & area code):
1.			
2.			

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Goals for 2015

Reaching 175 million of the world's poorest families with credit for self-employment and other financial and business services; and

Ensuring that 100 million families rise above the US\$1.25 a day threshold.

Citi Foundation



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