

State of the  
Microcredit Summit  
Campaign Report 2012  
Jan P. Maes  
Larry R. Reed

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# STATE OF THE MICROCREDIT SUMMIT CAMPAIGN REPORT 2012

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## Introduction

*[Our clients] think about whether they have food or not first. Second thing they think about [is] their shelter. But when you ask, “Are you happy? And what is the next step? In which stage do you want to see yourself?” they say, “I am fine if all the children can get an education; if all of them can earn, then I’m happy.”*

— Saiful Nahid, BRAC Uganda

*I took loans from various microfinance institutions, such as Spandana, SKS, L&T, Anapurna, Sharda, and Dove. It was a good experience borrowing from them; however, a few borrowers living here did not pay up their loan amount and refused to come forward to pay the outstanding balance...At the moment, we’re doing no work because we haven’t received any loans. We want the MFIs to start the process of lending, so that we are able to pay up our children’s school fees.*

— Bhagya Rekha, a microfinance client in Hyderabad, India

This has been a challenging year for microfinance. We have faced difficulties before: natural disasters wiping out the businesses of clients in Bangladesh and the Philippines, markets overheating in Morocco and Bosnia, and governments cracking down on microfinance institutions (MFIs) in Nicaragua or on microfinance clients in Zimbabwe. But, over the last year, we have been shaken as we watched rapid growth in a major market, India, turn into a major collapse in one portion of that market, Andhra Pradesh, which has brought real harm to clients we sought to help.

At a time like this, it is important that we listen to clients and the people who work most closely with them and know them best. We need to approach the field from the clients’ vantage point—asking what it is that they are looking for when they utilize financial services—and redouble our efforts to ensure that the tools we provide will enable them to achieve what they most desire for themselves and their families. “I would like to have my own house, have my children become professionals, and be in good health,” says Betty Valda, a microfinance client in Bolivia.

Saiful Nahid, financial analyst at BRAC Uganda, finds that most of his clients are looking for the same three things: food, shelter, and an education for their children. Iris Lanao, executive director of FINCA Peru, agrees with Saiful’s list, adding,

*When you actually see the data and you tabulate the information, where [our clients] were focusing was to be free of violence, to have a harmonious life. And of course to have your children go to school, but not only to school, but maybe [a] professional calling.*

For this year’s report, we interviewed several leaders of MFIs with reputations for knowing their clients’ needs. We asked these leaders about their clients’ hopes and dreams. Perhaps we shouldn’t have been, but we were surprised by how similar

*Where [our clients] were focusing was to be free of violence, to have a harmonious life. And of course to have your children go to school, but not only to school, but maybe [a] professional calling.*

— Iris Lanao, FINCA Peru

their responses were. “It’s the big three,” said John de Wit, managing director of the Small Enterprise Foundation in South Africa, “education for the children, food, and shelter.” Anne Hastings, director of Fonkoze in Haiti, emphasized the importance of secure shelter for people who had recently seen their shelters destroyed. Gilbert Maramba of the Negros Women of Tomorrow Foundation in the Philippines told us that questions about long-term plans might be difficult for some clients:

*If you are talking about the...poorest segment, the question is, do they really see themselves in the long run? Do they have dreams? My experience [is that] most of them don't. The only thing that concerns them is the day to day, how they will survive today and tomorrow. So when we start talking to them, we really have to put an effort into trying to extract this from them, trying to let them talk about their dreams and that they have that ability to get to that dream, that they can start to hope again, and that they have this ability to get to where they want to go...Of course, we do have clients that are not that poor, so it's easier to talk about their dreams...It's always education, better housing, and higher income.*

*[Clients] want regular meals for the whole family, a secure and safe place to live, and education that gives their children a better life.*

We see the current challenges in the microfinance community as a chance to refocus our efforts on what our clients most want to achieve. They want regular meals for the whole family, a secure and safe place to live, and education that gives their children a better life. When we use those standards as our measuring stick, when we design our financial services and other support systems so that our clients can achieve these objectives, then we will be providing a tool that our clients can use to help free themselves from the shackles of poverty.



# Executive Summary

As of December 31, 2010, 3,652 microfinance institutions reported reaching 205,314,502 clients,<sup>1</sup> 137,547,441 of whom were among the poorest when they took their first loan. Of these poorest clients, 82.3 percent, or 113,138,652, are women. Institutional Action Plans (IAPs) were submitted by 609 MFIs in 2011.

Together, these 609 institutions account for 56.5 percent<sup>2</sup> of the poorest clients reported: this means that 56.5 percent of the data reported is current, less than one year old when this report is published. Assuming five people per family, the 137.5 million poorest clients reached by the end of 2010 affected some 687.7 million family members.

*As of December 31, 2010, 3,652 microfinance institutions reported reaching 205,314,502 clients, 137,547,441 of whom were among the poorest when they took their first loan.*

**Table 1: Figures as of December 31, 2010**

Data Point	Finding
Number of MFIs Reporting (data from 12/31/97–12/31/10)	3,652
Number of MFIs Reporting in 2011 (data from 12/31/10)	609
Percent of Poorest Clients Represented by MFIs Reporting in 2011	56.5%
Total Number of Clients (as of 12/31/10)	205,314,502
Total Number of Women (as of 12/31/10)	153,306,542
Total Number of Poorest Clients (as of 12/31/10)	137,547,441
Total Number of Poorest Women (as of 12/31/10)	113,138,652

Among the organizations reporting in 2011, the Campaign was able to verify<sup>3</sup> data from 328 institutions, representing 72,385,972 poorest families: this means that 53 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**.

With an average client family consisting of five members, loans to 137.5 million poorest clients affect a total of 687.7 million people. This represents more people than the total population of the European Union plus Russia. Although microfinance is no longer micro in its reach, poverty still persists.

The Microcredit<sup>4</sup> Summit Campaign has two goals:

- 1) Working to ensure that 175 million of the world's poorest families, especially the women of those families, are receiving

<sup>1</sup>When we collected the data in early 2011 (covering the year ending December 31, 2010), clients in Andhra Pradesh were still on the MFIs' books and treated as active borrowers. Although recoveries were not forthcoming, their loans were still counted because they were less than 90 days overdue. For this reason, we have included those clients in our total numbers. However, as of August 31, 2011, the situation in Andhra Pradesh has not yet improved. Repayment rates of MFIs in Andhra Pradesh are recorded as low as 10 percent and as high as 55 percent. We prefer to be conservative in our figures; therefore, in this footnote we have deducted 90 percent of Andhra Pradesh numbers from our calculation of global total, poorest, and poorest women clients. If 90 percent of the clients of Andhra Pradesh are deducted from the 205,314,502 total clients reached, the number would be reduced to 199,881,282; if 90 percent of poorest clients from Andhra Pradesh are deducted from the 137,547,441 poorest total clients reached, the number would be reduced to 132,459,207; and if 90 percent of the poorest women clients from Andhra Pradesh are deducted from the 113,138,652 poorest women clients reached, the number would be reduced to 108,231,760.

<sup>2</sup>This percentage is significantly lower than in previous years' reports because, as of August 31, 2011, when we closed our data collection, India's National Bank for Agriculture and Rural Development (NABARD), whose fiscal year ends March 31, 2011, was still collecting data from their regional offices and was unable to provide the Campaign with a final tally. Therefore, the current data in this report is missing a figure that has grown from 10 percent of the poorest clients reported in the 2002 report to 41 percent in the 2011 report. If we had received NABARD's numbers and they were equal to the numbers submitted last year, then 94.8 percent of our data in this report would have been current and the remaining 5.2 percent one or more years old. The NABARD numbers included in this report are from March 31, 2010, which means that 94.8 percent of the data in this report is 18 months old or less.

<sup>3</sup>By 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 provided are reliable and credible."

<sup>4</sup>For 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.

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<sup>5</sup> a day threshold, adjusted for purchasing power parity, between 1990 and 2015

We are on track for achieving the first goal by the 2015 deadline, although the setbacks in such places as Andhra Pradesh put our steady growth at risk.

When we set the second goal in 2006, we knew it would be the most difficult to achieve for two reasons: 1) it presents a vast measurement challenge, and 2) at its heart, the second goal requires *transformation*. A woman moves from mere subsistence to having confidence that she can provide a better life for herself and her family. An empowered woman is no longer as susceptible to external shocks because her family now has increased its assets and income. It is also likely that she now belongs to a rich social network that provides support in difficult times. The challenge of measuring this empowerment, this transformation in the lives of clients, stems from a lack of poverty-level baseline data from 1990 or from whatever year a client starts. While the Campaign still struggles with collecting and verifying data that measures movement out of poverty, it has tried to address this challenge by commissioning nationwide surveys in the world's two largest microfinance markets: Bangladesh and India.

In the *State of the Microcredit Summit Campaign Report 2011*, we presented the results from the Bangladesh study, led by Sajjad Zohir of the Dhaka-based Economic Research Group. The study found that over the past 19 years (1990–2008), on net, almost 2 million microfinance households in Bangladesh, including nearly 10 million family members, had moved above the \$1.25 a day threshold in Bangladesh.

In August 2011, the Campaign released findings from a similar study conducted in India by Shubhashis Gangopadhyay of the India Development Foundation. The study shows that, on net, nearly 9 million households involved in microfinance, including approximately 45 million family members, rose above the \$1.25 a day threshold between 1990 and 2010. The report estimates that in India 37 percent of clients were living below the \$1.25 a day poverty threshold when they joined a program. The survey was largely completed *before* the microfinance crisis in Andhra Pradesh erupted at the end of 2010, which has greatly reduced the number of households served.

With India and Bangladesh representing more than half of the total number of microfinance clients reported to the Campaign this year, these studies show by extrapolation that the second goal will almost certainly not be reached by 2015. This is a humbling realization for the Campaign, and this report attempts to explain why the achievement of this goal seems to be out of reach, and what role microfinance can play in making progress toward it.

In this year's report, we discuss the threats facing the microfinance sector around the world and, especially, the current crisis in South India. After a period of unprecedented growth and competition, dangerous levels of client over-indebtedness have resulted, followed by increased credit risk and reputational risk. We also look at some of the exciting initiatives addressing these challenges.

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<sup>5</sup>Hereafter, \$ denotes U.S. currency.

*The [India] study shows that, on net, nearly 9 million households involved in microfinance, including approximately 45 million family members, rose above the \$1.25 a day threshold between 1990 and 2010.*

## Growth, Competition, and Harm to Clients: The Case of Andhra Pradesh

Over the last five years, India has accounted for 68 percent of the growth in clients reported to the Microcredit Summit Campaign. Many of these clients live in the state of Andhra Pradesh, home to what were the four largest MFIs<sup>6</sup> in the country, as well as a state-supported program that promotes self-help groups (SHGs) and links them to formal financial institutions.

By November 2010, SHGs were reaching over 17 million clients in the state and MFIs were reaching more than 6 million. Many clients had loans from several different sources, putting the average microfinance debt per household in Andhra Pradesh over \$1,700, compared to less than \$150 per household in the other states of India.<sup>7</sup> One study found that 83 percent of microfinance clients in the state had loans from more than one source, and many had four or more loans at the same time.<sup>8</sup> A report from the Consultative Group to Assist the Poor (CGAP) sums up: “The picture that emerges from the data suggests that households in Andhra Pradesh [had] too many loans and [more] debt than [seemed] supportable considering their income levels and ability to repay.”<sup>9</sup>

In July 2010, SKS Microfinance Ltd (SKS), the largest of the Indian MFIs (with more than 7 million clients at the time), held an initial public offering (IPO). The IPO raised \$155 million for SKS and valued the company at \$1.5 billion. Existing shareholders also sold \$195 million worth of their shares in the offering, netting handsome profits at a share price that was four times greater than the book value of the company.<sup>10</sup>

Press reactions to the SKS IPO came in many flavors. Some praised the success of the offering as signaling a future with unlimited sources of funds for microfinance in India. Others focused on the wealth gained by the investors and founders at SKS, while juxtaposing allegations of abusive collection practices. The real bombshell arrived when allegations of suicides by microfinance clients in Andhra Pradesh were reported.

In October 2010, the state government responded with “An Ordinance to protect the women Self Help Groups from exploitation by the Micro Finance Institutions in the State of Andhra Pradesh.”<sup>11</sup> This ordinance, among other things, sets a limit on the amount that MFIs can lend to their clients, requires that loan repayments be made monthly rather than weekly, and requires that all repayments be made at local government offices. As a result, reported Mathew Titus, chief executive officer (CEO) of Sa-Dhan, an Indian network of microfinance providers, “microfinance operations in Andhra Pradesh have come to a grinding halt.”<sup>12</sup>

<sup>6</sup>SKS Microfinance Ltd, Asmitha Microfin Ltd, Share Microfin Ltd, and Spandana Sphoorty Financial Ltd.

<sup>7</sup>N. Srinivasan, *Microfinance India: State of the Sector Report 2010* (New Delhi: Access Development Services, Sage Publications, 2010), [http://www.microfinanceindia.org/uploaded\\_files/publication/1311572030.pdf](http://www.microfinanceindia.org/uploaded_files/publication/1311572030.pdf).

<sup>8</sup>D. Johnson and S. Meka, *Access to Finance in Andhra Pradesh* (Tamil Nadu, India: IFMR Research, 2010), [http://www.ifmr.ac.in/cmf/publications/wp/2010/CMF\\_Access\\_to\\_Finance\\_in\\_Andhra\\_Pradesh\\_2010.pdf](http://www.ifmr.ac.in/cmf/publications/wp/2010/CMF_Access_to_Finance_in_Andhra_Pradesh_2010.pdf).

<sup>9</sup>CGAP, “Andhra Pradesh 2010: Global Implications of the Crisis in Indian Microfinance,” Focus Note, no. 67 (Washington, DC: CGAP, 2010), 3, <http://www.cgap.org/gm/document-1.9.48945/FN67.pdf>.

<sup>10</sup>G. Chen et al., “Indian Microfinance Goes Public: The SKS Initial Public Offering,” Focus Note, no. 65 (Washington, DC: CGAP, 2010), [http://www.cgap.org/gm/document-1.9.47613/FN65\\_Rev.pdf](http://www.cgap.org/gm/document-1.9.47613/FN65_Rev.pdf).

<sup>11</sup><http://indiamicrofinance.com/wp-content/uploads/2010/10/Andhra-MFI-Ordinance.pdf>.

<sup>12</sup>We wrote this report in the summer of 2011.

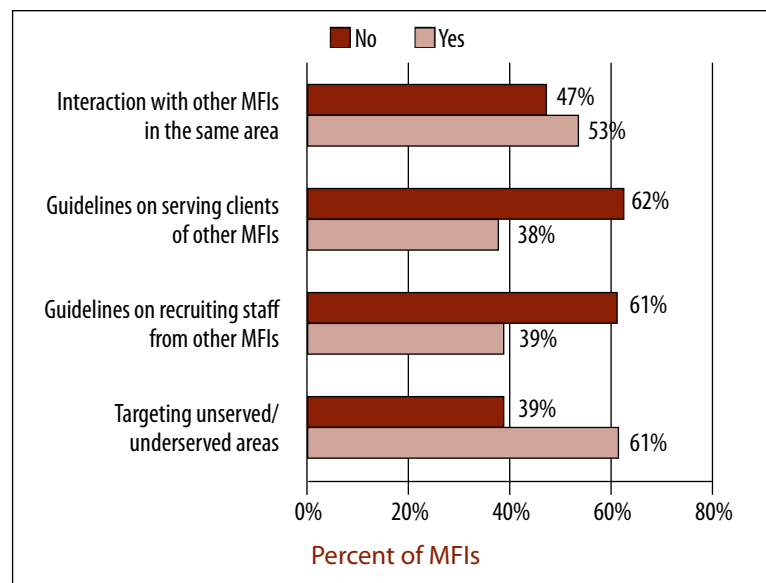
*The picture that emerges from the data suggests that households in Andhra Pradesh [had] too many loans and [more] debt than [seemed] supportable considering their income levels and ability to repay.*  
— CGAP Focus Note, no. 67

There have been no fresh sanctions of loans from MFIs to the clients. The loan recovery rate has come down to less than 10 percent. Willful default has also set in, fueled by local political elements misguiding the clients for apparent political mileage. MFI field staffs are unable to discharge their collection duties, owing to perceived punitive action under the new state act. Small MFIs face the threat of closure of operations due to the liquidity issue and poor recovery of loans.”

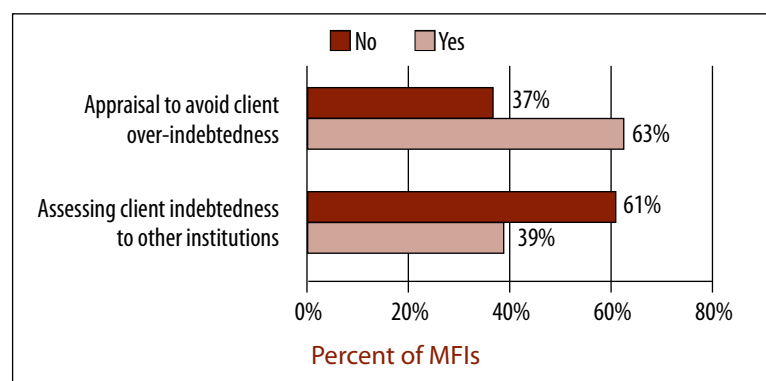
*Sa-Dhan found that, among the 100 MFIs they surveyed, most lacked guidelines on lending to clients of other MFIs and did not have systems in place for measuring a client’s level of indebtedness.*

In the spring and summer of 2011, Sa-Dhan surveyed its members, clients, and other stakeholders (government officials, investors, and the media) to learn more about the causes of the Andhra Pradesh crisis and the implications for the sector. Sa-Dhan found that, among the 100 MFIs they surveyed, most lacked guidelines on lending to clients of other MFIs (**Figure 1**) and did not have systems in place for measuring a client’s level of indebtedness (**Figure 2**).<sup>13</sup>

**Figure 1: Competition and Cooperation of MFIs**



**Figure 2: Assessment of Client Indebtedness by the MFI**



Sa-Dhan and others have worked with the government of India to develop a microfinance bill that would put MFIs under the regulatory authority of the Central Bank. Titus told us, “The present version of the bill (August 2011) appears to be a comprehensive piece of legislation that purports to resolve the long-standing challenges that the microfinance sector has faced. The bill proposes

<sup>13</sup>M. Titus, “Report from Sa-Dhan to the Microcredit Summit, Campaign” unpublished document commissioned by the Microcredit Summit Campaign, Washington, DC, 8/10/11.

holistic services that can be rendered by MFIs including thrift, remittances, pension, insurance, and other services.” As of this writing, the bill has been introduced to the Indian parliament and is pending approval.

We spoke with two bankers to give us some perspective on the Andhra Pradesh crisis and its implications for the microfinance industry. In **Box 1**, Citibank’s Director of Microfinance, Robert Annibale, and Managing Director of Global Social Investment Funds, Asad Mahmood, at Deutsche Bank address the crisis in Andhra Pradesh. Annibale stresses the need for clarity in regulation and the need for a structure that supports the sector, including credit bureaus, payment systems, and the like. Mahmood calls on us to look honestly at the role that MFIs, donors, and investors played in the crisis and says we must pay greater attention to basic building blocks, such as client protection, interest rate transparency, and social performance.

## Box 1: The Impact of the Crisis

### Bob Annibale: “Clarity Will Bring Stability”

The Andhra Pradesh microfinance crisis has made all the more obvious the need for clarity in regulation. As we have seen in other markets, whenever you have a lack of clarity in the regulatory environment, combined with rapid growth, something usually goes wrong. In this case, it has almost wiped out the microfinance industry in a large state of a very important country, and it will probably lead to a lot of collateral damage to institutions all across the country.

In India, we saw an industry that rose above the radar and was reaching 30 million people. [That industry] now needs to be seen as a formal part of the whole spectrum of financial services in India. It doesn’t matter if credit is provided through a non-governmental organization (NGO), a bank, a non-bank financial institution, or a mutual guarantee society; it needs to come under the same regulatory framework.

Regulatory clarity allows the market to work even when the regulation may not be the best. Even environments with interest rate caps can have vibrant markets because the financial institutions and investors know what the rules are and how they can operate. Lack of clarity is the worst thing that can happen to

a market. We are seeing this now in India. With new legislation before the [national] parliament, investors are starting to make investments again [in] MFIs operating outside of Andhra Pradesh. But, inside the state no one is investing. There is still no clarity on whether the state or federal regulations have preeminence. As a result, clients that used to have access to a variety of microfinance providers now have to go back to the money lenders to get loans.

In addition to clarity in regulation and supervision, financial markets need an appropriate architecture to support them, things like credit bureaus and payment systems. With these things in place, then you have the supervisory systems and reporting structures that will help bring more prudence to the system.

At Citibank, we work with microfinance in 40 countries. We seek to share the best practices and lessons learned in each of these markets, so that they can be applied to local situations. As part of their due diligence, our local operations will be looking at whether there is the clarity in regulations and the supportive financial

— continued on next page

*Lack of clarity is the worst thing that can happen to a market. We are seeing this now in India. . . . As a result, clients that used to have access to a variety of microfinance providers now have to go back to the money lenders to get loans.*

— Bob Annibale,  
Citibank

## Box 1: The Impact of the Crisis, continued

architecture needed to support [healthy] growth in microfinance.

*Bob Annibale is director of microfinance at Citibank and is based in the United Kingdom. (This comment was written in the summer of 2011.)*

### Asad Mahmood: “The Truth Will Set You Free”

Many people see the Andhra Pradesh microfinance crisis as primarily a political issue. I disagree. While there are definitely political dimensions to it, the problem is much bigger, and a large part of the problem starts with MFIs and the investors and donors that support them.

If we as an industry are going to learn from this crisis and improve microfinance as a result, then we need to look at the truth about ourselves. The truth is that too many microfinance institutions had no connection to their clients.

Many MFIs focused on growth and they used a cookie-cutter approach to increase the pace of their growth. They rushed to commercialize and neglected the social side of their business in the process. And those of us who are donors and investors fueled this addiction to growth with our funding and our expectations.

We have seen these sorts of things happen before in microfinance, yet many within the industry haven't taken the steps necessary to prevent it from happening again. What should we be doing? Let's start by developing basic building blocks, like the Smart Campaign for client protection and MicroFinance Transparency [for transparency in interest rate pricing]. We need to develop scorecards that show [an institution's] social performance, the strength of their governance, and the

transparency of executive pay. Most importantly, the social aspect of what we do needs to be inextricably intertwined with the financial side. The social part of microfinance means paying attention to the customer, and that can only be good for business.

At Deutsche Bank, we have and are willing to [continue to] put our money where our mouth is. We are in the process of putting together a \$100 million fund to be invested in MFIs that can demonstrate good customer service and product innovation. To qualify for this fund, MFIs must participate with the Smart Campaign and MicroFinance Transparency. We also want to use our name and role in the industry to create a platform where we can talk openly about our problems as an industry and what we can do together to solve them.

This is probably the first major crisis we have faced as an industry. Now is not the time to abandon the work. Rather, now is the time to face the truth honestly so that we can free ourselves to serve our clients better in the future.

*Asad Mahmood is managing director of Global Social Investment Funds at Deutsche Bank and is based in the United States. (This comment was written in the summer of 2011.)*

*Many MFIs focused on growth and they used a cookie-cutter approach to increase the pace of their growth. They rushed to commercialize and neglected the social side of their business in the process.*  
— Asad Mahmood,  
Deutsche Bank

We also spoke with a panel of North American network leaders from Women's World Banking (WWB), Vision Fund, Opportunity International, FINCA, and ACCION, who told us that they were not seeing significant changes in their donors' perceptions about microfinance (see **Box 2**). In many cases, the crisis has led to some longer conversations with their private donors and, for the most part,

they were able to show what their networks were doing to try to prevent harm from being done to their clients. While many of their donors may have heard about the situation in India or may have read something about the academic studies that questioned the effectiveness of microcredit, this did not seem to affect their overall support for microfinance. On the other hand, they were having trouble getting the same enthusiastic response from social investors as before. “Now the social investors are coming back to us,” said Mary Ellen Iskenderian, CEO of WWB, “and saying, ‘We thought this was a place where we could do good and make a little money. Now we are really worried about the reputational risk of investing in this sector.’”

## Box 2: A Major Turning Point

*We spoke individually with the leaders of five international microfinance networks, together serving over 8 million clients, about how their global operations have been affected by all that has happened in Andhra Pradesh.*

**How has the crisis affected your ability to raise money from donors and investors?**

**Mary Ellen Iskenderian, CEO, Women’s World Banking:** We were in the middle of raising an investment fund for our members that were transforming into banks. Now we are getting lots of questions from social investors who had shown interest in our fund. The stories about client suicides did enormous damage to those who were playing at the edge of that social investor space and are now not willing to run the risk of doing harm with their investment. On the donor side, we have not seen much impact. This may have something to do with who our donors are and their investment in what we stand for.

**Rupert Scofield, CEO, FINCA:** We haven’t seen much impact on the donation side, but we have heard from some of our investors that, for the first time, they are seeing some redemptions to their microfinance funds—although these still seem to be offset by new investors. In Germany, apparently, the media has severely attacked microfinance and, as a result, it is difficult to raise new microfinance funds there...And then there is academia turning its jaun-

diced eye on microfinance, alleging at best no impact on clients.

**Scott Brown, CEO, Vision Fund:**

We have been pushing hard on social performance and client protection for a long time. Now, we are glad that we took those steps before the crisis hit. We are known not just as an investor but as a social investor. On the donor side, we are having a lot more conversations, but these are not bad conversations. We can explain our principles and systems for measuring social impact.

**Bill Morgenstern, CEO, Opportunity International:**

We hear lots of questions. The tone has been more, “What makes you different?” What I point out is that, with us, the money doesn’t leave the tent. If we make money on our investments, it gets put back into the business. We’re a non-profit. We don’t have an exit strategy. We’re there for the long haul. We’re not looking for an IPO or to make a lot of money from dividends. Most people get that. Donors look for reasons to give and look for reasons not to give. The economy was one reason not to give, and just when it looks like things might get better, then we started getting the bad news about microfinance. That gave people a reason to think about maybe not giving or giving to something else. Year on year, we are about where we thought we would be.

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*The stories about client suicides did enormous damage to those who were playing at the edge of that social investor space and are now not willing to run the risk of doing harm with their investment.*

— Mary Ellen Iskenderian, Women’s World Banking

## Box 2: A Major Turning Point, continued

**Michael Schlein, CEO, ACCION:** We have not seen a drop-off in fund raising. Where it does have an impact is that I have to spend a lot of time explaining what is going on. There is no real short way to describe what went on in [Andhra Pradesh]. People have read about suicides, so I've got to explain it.

### *What is your network doing in response to the Andhra crisis?*

**Iskenderian:** We have spent a lot of time looking at what we stand for as a network and who we want to be a part of our network. When we did this, we realized that we faced the same problems that Sa-Dhan and MFIN [Micro Finance Institutions Network]\* in India faced, that membership agreements only allowed for disaffiliation for reasons of performance. But, what about reputational risk? What if a member is operating in a way that is against the best interests of the industry or of the network? We are trying to come up with some rules that will give us more of a voice when this is happening, but it's not easy.

**Scofield:** This is now our second time through this sort of thing [following the global economic crisis] and we are taking great care to put our own house in order. Building on our own lengthy history of focusing on social performance, we have signed up for the Smart Campaign, MicroFinance Transparency, and the Social Performance Task Force. We're taking steps to make sure these are implemented in all our countries. Our board has also mandated the creation of a social performance audit committee, which enjoys equal stature with our regular audit committee, but focuses on measuring the impact of our products and services on our clients.

We know it will be a long, hard road back to restoring the luster in the crown of microfinance, but we know there is still a lot of good work to be

done. We think that if we continue to do good work and demonstrate results, then the donors will come back. There is still the question about whether you can have a real impact with just microfinance or whether you need other social interventions as well. FINCA is starting to work in these areas and I am quite enthusiastic about the prospects of microfinance providing a platform that might also be able to deal with other government and market failures, like education and health care. This is an area where social entrepreneurs can [have a big] impact.

**Brown:** We will continue to make social performance and client protection a key part of our relationship with our partners. We will continue to measure performance against our standards in these areas. This crisis has shown us just how important it is to measure the social side of our work as much as the financial.

**Morgenstern:** We are in the relationship lending business. What this crisis shows is that it is more important than ever to have a good relationship with the client. When things get bad, you want to have the type of relationship with the client that they [will] want to pay you back, so that they can keep the relationship going. You want the client to know that you are going to be there for them over the long haul, so they need to protect their relationship with you.

**Schlein:** This has triggered a good deal of soul searching in the industry that I hope will be a turning point. While Andhra Pradesh has been the spark, I think the issues go much deeper and have been going much deeper for years. What are the real concerns? The real questions center on over-lending, bad collection practices, prices and

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\*Sa-Dhan and MFIN are both microfinance networks in India.

*We are in the relationship lending business. What this crisis shows is that it is more important than ever to have a good relationship with the client.*  
— *Bill Morgenstern, Opportunity International*



## Box 2: A Major Turning Point, continued

fees, and impact. Those are good questions to be wrestling with. If these are the issues, then I think the solutions are in strong consumer protection, greater transparency, and some industry-wide uniform way of measuring social perfor-

mance. I think if everybody adopted Smart Campaign, [MicroFinance Transparency], and some agreed-upon standard on social performance, then we will have addressed the substance of the issues.

A few years ago, India showed great promise as a rising star in the microfinance community, rapidly scaling to reach millions of women who sought to educate their children, feed their families, and provide secure shelter. In one state—Andhra Pradesh—however, the rapid expansion came at a cost as MFIs focused more on their own success and growth than on that of their clients. Today, many millions of women struggle to find the access to finance that they once had.

## Microfinance on the Defense

Microfinance practitioners around the world have felt the reverberations from the microfinance crisis in Andhra Pradesh, and this has been captured in *Microfinance Banana Skins 2011*, a survey of the risks facing the microfinance industry. Every 18 months since 2008, the Centre for the Study of Financial Innovation (CSFI) has published *Microfinance Banana Skins*, and this year CSFI received survey responses from 533 microfinance stakeholders in 86 countries. In his introduction to the report, Andrew Hilton, director of CSFI, writes,

*A lot of people—well-meaning, thoughtful people who are in the microfinance industry—are now worried that microfinance has taken a wrong turn, that it has drifted away from its original mission, that it has been co-opted (or even corrupted) by the pursuit of size and profitability.... This is new and...it leaves microfinance and individual MFIs at a 'tipping point.' Will the industry continue to evolve—to grow, to offer new products, to move up market—until it is essentially indistinguishable from conventional financial institutions (banks, consumer finance companies, etc.)? Or will it rediscover its roots as a more modest source of small-scale credit to a relatively limited market amongst lower-income groups in generally poor countries?*

In **Box 3**, Philip Brown, managing director for risk at Citi Microfinance and manager of the Banana Skins project, compares the current Banana Skins report with the two previous issues and with risks in the finance industry as a whole. The current report shows that the top three risks as perceived by the industry are credit risk, reputational risk, and political interference.

*The current [Banana Skins] report shows that the top three risks as perceived by the industry are credit risk, reputational risk, and political interference.*

*Credit risk remains the top risk in the 2011 survey. Economic stress remains a factor, but competition, multiple lending, weak internal controls, and political interference, coupled with shifting client behavior, have all contributed to rising credit risk and increased concern about borrower over-indebtedness.*  
 — Philip Brown, Citi Microfinance

### Box 3: Microfinance Banana Skins 2011: Losing Its Fairy Dust

We spoke with Philip Brown, who worked with the CSFI team on the Banana Skins report. We asked Philip to put this third report in the context of the first two and the events going on in the industry as the surveys were being completed at the end of 2010.

The Banana Skins survey reflects the sector’s continued growth and evolution; it highlights the need for an increased focus on clients’ needs and related credit risk, as opposed to the institutional risks that dominated earlier surveys. While the immediate risks posed by the global economic crisis have receded, they have been

replaced by larger concerns about the future direction of the sector.

Credit risk remains the top risk in the 2011 survey. Economic stress remains a factor, but competition, multiple lending, weak internal controls, and political interference, coupled with shifting client behavior, have all contributed to rising credit risk and increased concern about borrower over-indebtedness.

**Table 2** below compares the “biggest risks” and the “fastest risers” of the 24 risks covered in the survey in the 2011 and 2009 reports.

**Table 2: Biggest Risks and Fastest Risers**

Biggest risks	Position in 2011	Position in 2009	Fastest risers	Position in 2011	Position in 2009
Credit risk	1	1	Competition	1	3
Reputation risk	2	17	Credit risk	2	1
Competition	3	9	Reputation risk	3	11
Corporate governance	4	7	Political interference	4	7
Political interference	5	10	Mission drift	5	13

The dominance of credit risk, defined as borrowers failing to repay, largely reflects a growing and widespread perception of the problem of over-indebtedness. Respondents identified many causes of over-indebtedness, but the intensity of competition, the number 3 risk overall and the fastest rising risk in 2011, dominates with a high ranking in most regions.

The top five risks this year largely go together. *Credit risk* is the result and needs to be managed for business and reputational reasons. *Reputation risk*, at number 2, has numerous angles, with many linked to growth and business model transformation.

**The Big Movers**  
**UP**

**Reputation Risk:** the good name of microfinance increasingly under attack

**Competition:** undermining business and ethical standards

**Corporate governance:** showing weakness under stress

**Political interference:** backlash against MFI lending practices

**Inappropriate regulation:** failing to provide a healthy environment

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### Box 3: Microfinance Banana Skins 2011: Losing Its Fairy Dust, continued

*Competition* is perceived as both positive and negative for the client, increasing MFI risk-taking and weakening lending practices and policy adherence. This is reflected in concerns over the quality and effectiveness of *corporate governance*. Many now fear that government responses to these issues may cause even more problems for the sector, leading to *political interference* and *inappropriate regulation*.

#### The Big Movers

##### DOWN

**Macro-economy:** ebbing concern about the global crisis

**Liquidity:** cash shortages easing

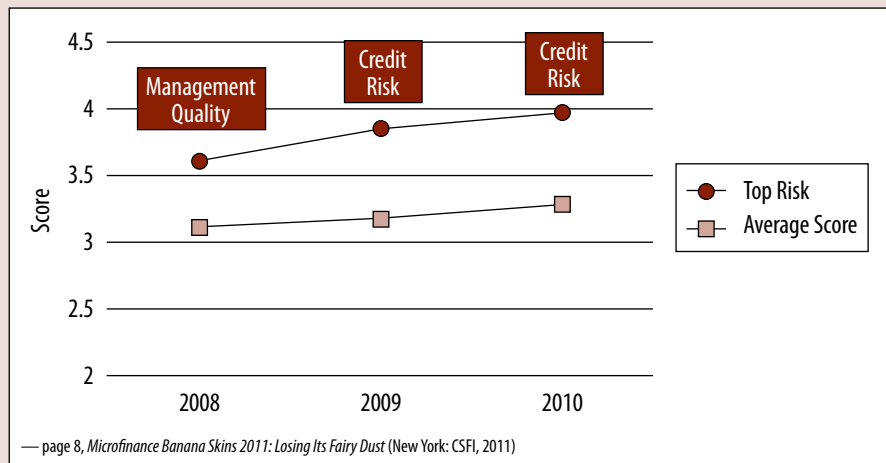
**Too little funding:** investors returning to the market

**Foreign exchange:** “currency wars” not a major concern

**Interest rates:** lower and less volatile

— page 7, *Microfinance Banana Skins 2011: Losing its Fairy Dust* (New York: CSFI, 2011)

Figure 3: Leading and Average Risk Scores



As shown in **Figure 3**, overall risk scores reflecting “anxiety levels” continue to rise as compared with previous surveys. This increasing level of concern—the Andhra Pradesh crisis was only just unfolding when the survey took place—and the resultant questioning is undoubtedly healthy, but as one respondent wrote, “Whatever the reason, the industry’s reputation will never be the same.”

The survey provides a snapshot of the rapidly changing landscape of the microfinance sector. Its value is not in any specific conclusions but in raising debate around the risks at a time when hard questions are being asked about the future of the

sector. The responses demonstrate the significant differences in perspective both between regions and practitioners, investors and observers. The survey reflects the breadth of the sector, as well as its continued growth and outreach. It also signals that the microfinance sector is now faced with some of the same forces that we have historically seen in the broader financial sector.

*Philip Brown is managing director for risk at Citi Microfinance and is based in the United Kingdom. He is manager of the Banana Skins project.*

*Overall risk scores reflecting “anxiety levels” continue to rise as compared with previous surveys. This increasing level of concern—the Andhra Pradesh crisis was only just unfolding when the survey took place—and the resultant questioning is undoubtedly healthy, but as one respondent wrote, “Whatever the reason, the industry’s reputation will never be the same.”*

— Philip Brown, Citi Microfinance

The news from Andhra Pradesh also comes in the wake of a recent spate of academic studies on microfinance, questioning the claims that microfinance consistently moves clients out of poverty. According to Nathanael Goldberg, policy director at Innovations for Poverty Action (IPA) and an academic researcher involved with some of these studies, “Randomized evaluations of microfinance are showing mixed results, with credit clearly not the panacea it has sometimes been made out to be, and savings looking promising. Both credit and savings, however, are showing evidence for helping households manage their financial portfolios: to smooth consumption or invest in enterprises.”<sup>14</sup>

The results of these studies have also cast doubt on the methods used to study impact. One of the chief methods, the randomized control trial (RCT), measures the impact of an intervention, such as microcredit, by comparing a group of people who receive a loan with a similar group of people having the same basic characteristics, but who do not receive a loan. These evaluation methods bring new rigor to microfinance assessment, but they also have their own weaknesses. Christopher Dunford, president of Freedom from Hunger, points out “that the results [from RCTs] are reported in terms of the average experience of borrowers, which obscures the variety of experience. A large proportion, although still a minority, are investing their loans in real businesses and often doing very well as a result. The majority seems to be benefiting only modestly, primarily from the consumption smoothing effects, and only a small minority is suffering as a result of borrowing.”<sup>15</sup>

Dean Karlan and Jacob Appel wrote *More Than Good Intentions*<sup>16</sup> to show how RCTs and behavioral economics can guide decisions about where and how to invest limited resources to help reduce global poverty. This book has been praised in *Forbes* magazine and *The Wall Street Journal*, but also criticized by those who think it attributes more discerning powers to academic studies than their results justify. Jonathan Lewis, founder of MicroCredit Enterprises, writes in the *Huffington Post*, “Maddeningly, the anti-poverty impact evaluation craze is precariously close to inflicting an unrealistic hegemony over social change. The profession’s conceit is that, until an academic evaluator evaluates it, every anti-poverty program is under suspicion. In the closed world of evaluation, what cannot be measured is invisible. What cannot be validated by an evaluator should not be funded.”<sup>17</sup>

**Box 4** contains an excerpted review of *More than Good Intentions* by Guy Stuart, independent consultant and fellow at the Ash Center, Harvard University, on the *Center for Financial Inclusion Blog*, June 14, 2011.<sup>18</sup>

*Maddeningly, the anti-poverty impact evaluation craze is precariously close to inflicting an unrealistic hegemony over social change. The profession’s conceit is that, until an academic evaluator evaluates it, every anti-poverty program is under suspicion.*

— Jonathan Lewis,  
*MicroCredit Enterprises*

<sup>14</sup>N. Goldberg, “A Deeper Look at Programs that Work with the Ultra-Poor: From Safety Net Programs to Other Innovations,” unpublished paper commissioned for the 2011 Global Microcredit Summit, Valladolid, Spain, 11/14–17/11.

<sup>15</sup>From Dunford’s comments at a World Affairs Council event, San Francisco, CA, USA, 6/7/11. See <http://www.itsyourworld.org/assnfe/ev.asp?ID=2974&SnID=967198496>.

<sup>16</sup><http://www.poverty-action.org/book/index.html>

<sup>17</sup>J. Lewis, “Social Impact Evaluation: Useful? Utopian? (Part 1 of 4),” Huff Post Impact, 6/21/11, [http://www.huffingtonpost.com/jonathan-lewis/social-impact-evaluation-\\_b\\_881296.html](http://www.huffingtonpost.com/jonathan-lewis/social-impact-evaluation-_b_881296.html).

<sup>18</sup>G. Stuart, “‘More Than Good Intentions’ by Dean Karlan and Jacob Appel – Book Review by Guy Stuart” <http://centerforfinancialinclusionblog.wordpress.com/2011/06/14/more-than-good-intentions-by-dean-karlan-and-jacob-appel-book-review-by-guy-stuart/>.

## Box 4: RCTs and Other Forms of Evidence

Karlan and Appel's book *More Than Good Intentions* is an easy, and often compelling, read... The stories that really drive the chapters forward, and make the book compelling, are the ones which start with Karlan describing how he teamed up with people with "good intentions"—people trying to deliver goods and services to poor individuals and families in developing countries, to gather data in an effort to address a problem they both want to solve. In essence, this is the strength of the work Karlan and Appel describe in this book: For researchers to help in efforts to solve the problems confronting poor people, they have to begin with the problems they and the people who are trying to help them face, and gather evidence regarding what works and what does not work in solving those problems so that they then can act on that evidence.

Despite the book's many strengths, the book has some weaknesses. One is their view of what constitutes credible evidence in development work. Karlan and Appel want us to believe that randomized control trials (RCTs) are an essential tool in identifying solutions to problems through research. In fact, there is clear evidence that they think this is the only way to do research. They continuously, and condescendingly, equate "rigor" with the use of RCTs, which begs the question: Are all the people, who generate evidence about what works and what does not work without using RCTs, not doing rigorous work? Are RCTs the only way to get to the truth of the matter?

Given how much we know about what works and what does not work in microfinance in the absence of RCTs, we are forced to ask what insights do RCTs add? Let's dig deeper into the discussion of peer lending. As Karlan and Appel note, the evidence from Karlan's RCT on group

lending shows that the joint liability requirement of peer lending is not essential to risk management—in the absence of its enforcement, the lender is still able to collect. Those who have been in this field for some time already know joint liability is not always enforced fully because of the real concerns of practitioners that it puts too much pressure on the borrowers.

Furthermore, as Karlan and Appel note, one of the main proponents of this requirement, Grameen Bank, dropped the practice in 2002, when they instituted their Grameen II reforms. Did they do so in the wake of the findings from an RCT? No, Grameen did not use an RCT to make that decision. Nor was it facing a catastrophic cascade of losses as one group after another collapsed under the weight of the joint liability, which is something that Karlan and Appel argue is a likely consequence of the joint liability requirement. Rather, Grameen talked to its clients and its employees and worked out that individual loans in a group setting could work and would better serve its clients.

Though this process of deciding how to change the product Grameen was offering its clients did not involve an RCT, it was evidence-based. But was this evidence good evidence? Did Grameen just get lucky that Grameen II worked? Maybe, but more likely, it was able to generate an accurate picture of the needs of the clients and the potential dynamics ensuing from its product changes, and on this basis made the changes. The ability to be accurate is not a given. First, it requires having the data, which, in this case, were based on years of experience of being in daily contact with clients. Second, it requires that the organization is willing and able

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*Are all the people, who generate evidence about what works and what does not work without using RCTs, not doing rigorous work? Are RCTs the only way to get to the truth of the matter?*

—Guy Stuart,  
Harvard University

#### Box 4: RCTs and Other Forms of Evidence, continued

*It is not obvious that [scaling up the use of RCTs] should be done by expanding the work of organizations like IPA. Rather, they should be in the business (and I believe IPA would argue it is in the business) of training people in developing countries to do this work.*  
—Guy Stuart, Harvard University

to learn from its data. Note how these two requirements are key to what Karlan and Appel are arguing for: Have the data and analyze and learn from it. The only thing that is different is the nature of the data—experience versus differences in measured results for a treatment and control group.

The main lesson for me [from this book] was to reaffirm the importance of continuously engaging in the development process as a series of problems to be solved using concrete evidence to determine what works and what does not. The authors want us to believe that RCTs are the only way to produce concrete evidence, but clearly their own writing suggests that there are other ways. Furthermore, they want to scale up the use of RCTs. It is not obvious that this should be done by expanding the work of organizations like IPA. Rather, they should be

in the business (and I believe IPA would argue it is in the business) of training people in developing countries to do this work. I would go one step further and specify that those being trained in these methods in these countries should be mid-level managers in development organizations, who should be inculcated in the ideas of sound data collection and in the efficacy of a learning organization that is not afraid to test its ideas. Furthermore, I would recommend that individual and institutional donors look for organizations that are continuously engaged in working to solve the problems faced by the poor in developing countries and are set up to learn from their mistakes.

*Guy Stuart is an independent consultant and fellow at the Ash Center at Harvard University and is based in the United States.*

First, the academic studies showed that microfinance did not consistently result in clients moving out of poverty. Then the Andhra Pradesh crisis showed that too rapid growth of microfinance in one area can cause real harm to clients. This has been a sobering year for the microfinance community. As Michael Schlein of ACCION said,

*This has triggered a good deal of soul searching in the industry that I hope will be a turning point. While Andhra Pradesh has been the spark, I think the issues go much deeper and have been going much deeper for years. What are the real concerns? The real questions center on over-lending, bad collection practices, prices and fees, and impact. Those are good questions to be wrestling with. If those are the issues, then I think the solutions are in strong consumer protection, greater transparency, and some industry-wide, uniform way of measuring social performance.*

## Recovering the Soul of Microfinance

At a time when the microfinance sector is under fire, a number of initiatives have emerged to address the field's challenges. These initiatives include

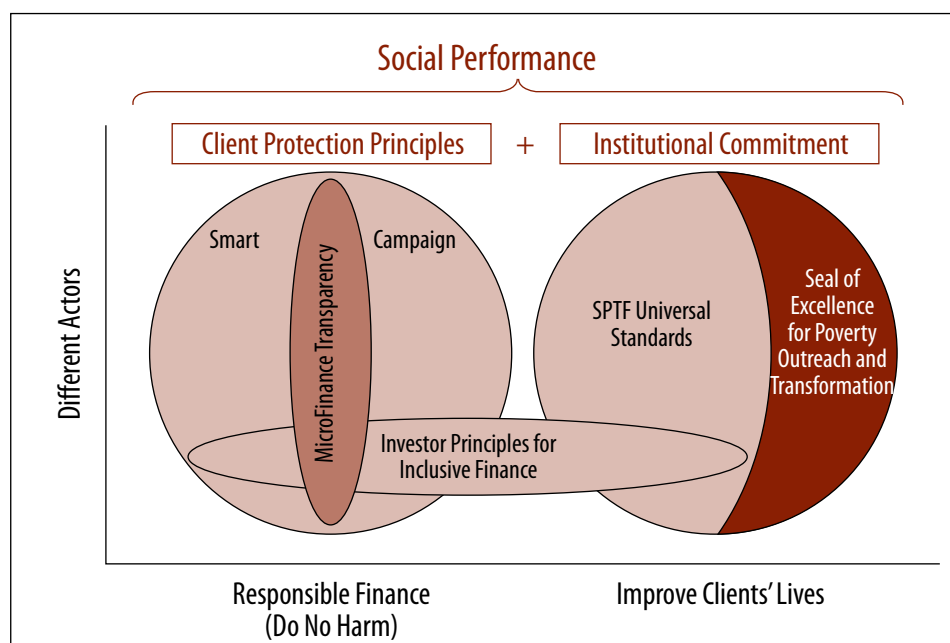
- values of responsibility (for example, the Smart Campaign on client protection and MicroFinance Transparency on transparent interest-rate pricing),
- corporate ethics, and
- social performance management.

Over the last 18 months, the Microcredit Summit Campaign has been working with stakeholders from these and other initiatives to build on and complement this work by introducing a *Seal of Excellence for Poverty Outreach and Transformation in Microfinance*. This Seal of Excellence will recognize both those finance institutions with significant outreach to poor and excluded households, and those that have developed a clear strategic approach to support the transformation of these clients. Below, in **Figure 4**, is a graphic representation mapping how the family of social performance initiatives and actors complement one another.

The Seal of Excellence will build on the work of the Smart Campaign and the Social Performance Task Force (SPTF), using their standards as basic requirements to be considered for the Seal of Excellence. It will help identify and recognize those institutions that reach significant numbers of poor people and can show movement by their clients away from poverty. In doing this, the Seal of Excellence performs a service for that segment of the microfinance community that wants to focus on poverty reduction and learn from those institutions with proven records in this area.

*The Seal of Excellence will... help identify and recognize those institutions that reach significant numbers of poor people and can show movement by their clients away from poverty.*

Figure 4: How Social Performance Initiatives and Actors Are Connected\*



\* Adapted from a presentation made by Laura Foose to the International Network CEO Retreat, Tarrytown, NY, USA, March 11-13, 2011.

In the following sections, we examine seven steps that we as a community can take to ensure that we do not harm our clients and that our work results in them and their families having greater ability and opportunity to climb their way out of poverty.

## Step 1: Do No Harm

“Like sex, microfinance can be safe if practiced responsibly,” writes Elisabeth Rhyne, managing director of the Center for Financial Inclusion at ACCION International. “Recently, however, we’ve seen that not all participants in the microfinance industry are practicing safe microfinance. As happens with that other risky activity, the players in microfinance face temptations that lure them away from healthy long-term relationships. One need look no farther than Andhra Pradesh, India, where the temptation for lenders to grow very fast in order to win market share, prestige, and profits caused them to woo many clients into excessive debt—with predictably bad consequences for both clients and lenders.”<sup>19</sup>

So how do we practice microfinance safely to ensure that we are not harming our clients? The Smart Campaign, a global initiative to promote client protection in the microfinance industry, recently revised its principles to better make sure they applied to the full range of financial services provided to clients (see **Box 5** below). Over 2,000 individuals and organizations have endorsed these principles, including more than 500 MFIs and more than 100 donors and investors, making them the most commonly accepted guidelines for practitioners in microfinance. The widespread support for these principles comes in part in response to some of the abuses that have occurred, but ultimately because “protecting clients is not only the right thing to do, it is the smart thing to do.”<sup>20</sup>

*The widespread support for these [client protection] principles comes in part in response to some of the abuses that have occurred, but ultimately because “protecting clients is not only the right thing to do, it is the smart thing to do.”*  
—Smart Campaign website

### Box 5: Smart Campaign Client Protection Principles (revised July 2011)

#### ■ Appropriate product design and delivery

Providers will take adequate care to design products and delivery channels in such a way that they do not cause clients harm. Products and delivery channels will be designed with client characteristics taken into account.

#### ■ Prevention of over-indebtedness

Providers will take adequate care in all phases of their credit pro-

cess to determine that clients have the capacity to repay without becoming over-indebted. In addition, providers will implement and monitor internal systems that support prevention of over-indebtedness and will foster efforts to improve market-level credit risk management (such as credit information sharing).

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<sup>19</sup>E. Rhyne, “Three Secrets of Safe Microfinance,” *Huff Post World*, 1/20/11, [http://www.huffingtonpost.com/elisabeth-rhyne/three-secrets-of-safe-mic\\_b\\_811586.html](http://www.huffingtonpost.com/elisabeth-rhyne/three-secrets-of-safe-mic_b_811586.html).

<sup>20</sup>See [smartcampaign.org](http://smartcampaign.org), “About the Campaign,” “Campaign Mission & Goals,” <http://smartcampaign.org/about-the-campaign/campaign-mission-a-goals>.



## Box 5: Smart Campaign Client Protection Principles (revised July 2011), continued

### ■ **Transparency**

Providers will communicate clear, sufficient, and timely information in a manner and language clients can understand, so that clients can make informed decisions. The need for transparent information on pricing, terms, and conditions of products is highlighted.

### ■ **Responsible pricing**

Pricing, terms, and conditions will be set in a way that is affordable to clients, while allowing financial institutions to be sustainable. Providers will strive to provide positive real returns on deposits.

### ■ **Fair and respectful treatment of clients**

Financial service providers and their agents will treat their clients fairly and respectfully. They will not discriminate. Providers will ensure adequate safeguards to detect and correct corruption, as well as aggressive or abusive treat-

ment by their staff and agents, particularly during the loan sales and debt collection processes.

### ■ **Privacy of client data**

The privacy of individual client data will be respected in accordance with the laws and regulations of individual jurisdictions. Such data will only be used for the purposes specified at the time the information is collected or as permitted by law, unless otherwise agreed with the client.

### ■ **Mechanisms for complaint resolution**

Providers will have in place timely and responsive mechanisms for complaints and problem resolution for their clients and will use these mechanisms both to resolve individual problems and to improve their products and services.

Source: [http://www.smartcampaign.org/storage/documents/20110802\\_Client\\_Protection\\_Principles\\_FINAL\\_.pdf](http://www.smartcampaign.org/storage/documents/20110802_Client_Protection_Principles_FINAL_.pdf)

In a paper<sup>21</sup> commissioned for the November 2011 Global Microcredit Summit in Valladolid, Spain, Rhyne describes the process that the Smart Campaign and its partners will go through to verify that individual MFIs operate in compliance with the client protection principles. The Smart Campaign has not only developed tools for self-reporting but also mechanisms for external assessments and external ratings by independent rating agencies. Donors and investors will soon begin requiring external assessments based on these principles as part of their due diligence process.

## Step 2: Know Your Client

The Smart Campaign principles provide a minimum standard for those microfinance practitioners who want to provide financial services to low-income clients in an ethical manner, ensuring that their clients are not harmed. However, in order to make certain that their services meet clients' needs and ambitions,

*The Smart Campaign principles provide a minimum standard for those microfinance practitioners who want to provide financial services to low-income clients in an ethical manner, ensuring that their clients are not harmed.*

<sup>21</sup>E. Rhyne, "What Is the Low Bar and What Is the High Bar on Client Protection?" unpublished paper commissioned for the 2011 Global Microcredit Summit, Valladolid, Spain, 11/14–17/11.

MFI's will need to invest in getting to know their clients. In a recent presentation before the French Senate, Michael Schlein, president and CEO of ACCION International, noted that those "who sell [microfinance] products [and services] have a special duty to know their customers and to design and sell products that are suitable to their needs. That's even more important when your clients are at the bottom of the pyramid."<sup>22</sup>

More than ever before, the microfinance sector has the tools and research available to understand their clients' needs and ambitions. This allows them to understand, in a much more nuanced way, the impact that access to different kinds of financial services can have on different people. We regularly describe clients' lives on an income continuum, with particular focus on those hovering at the \$1.25 a day or the \$2 a day line, but clients don't talk about the \$1.25 poverty line nor do they set a goal of "lifting themselves out of poverty." They talk about the state of their roof, their hopes for this year's crop yield, or how they will be able to afford school uniforms for their children. MFIs that develop systems for listening to and learning from their clients are able to devise products and support systems that can both help meet their clients' immediate needs and their plans for the future. By doing this, they build a loyal customer base that helps them attract new clients.

Clearly, poor people, just like other market segments, want a full range of financial services to meet their needs. *Portfolios of the Poor*, by Daryl Collins, Jonathan Morduch, Stuart Rutherford, and Orlanda Ruthven, makes clear that the world's poor have three broad financial goals: 1) to transform irregular flows of money to the household into smooth and more predictable flows; 2) to better cope with emergencies, particularly health and natural disasters; and 3) to raise useful lump sums for school fees or investment in enterprises. How those goals are met may vary—MFIs need to understand their clients' needs and aspirations in order to turn those broad financial goals into useful products.<sup>23</sup>

Carmen Velasco, one of the co-founders of Pro Mujer, described to us how important listening to clients has been for developing appropriate products and services. She says,

*From the very first years...we tried to listen very carefully to the clients' needs. That's why we have been fighting all years, day to day, not to drop the social performance of Pro Mujer.*  
— Carmen Velasco,  
Pro Mujer

*One of the things that we have done, from the very first years that we began our work, is that we tried to listen very carefully to the clients' needs. That's why we have been fighting all these years, day to day, not to drop the social performance of Pro Mujer. Not to drop the training, not to drop the women's empowerment as our first and main objective of the program. We offered microfinance as a way to empower our client members. We included health training. We included day care for their children when they came to Pro Mujer. We included primary health provision—all of this was to make sure that we were putting our mission into practice, to make sure that we were very close to the clients' needs and not what we thought, in a very academic way, was the best way to run the institution. We*

<sup>22</sup>Remarks by Michael Schlein at the French Senate, Palais du Luxembourg, Paris, 7/8/11.

<sup>23</sup>D. Collins et al., *Portfolios of the Poor: How the World's Poor Live on \$2 a Day* (Princeton, USA: Princeton University Press, 2009).

*were pushed and tempted to drop the health component and the training components and to gear all our efforts on the microcredit component. We were very stubborn. Why did we stick with our integrated approach? It was because we were sure. We could see from the clients' responses that they did appreciate the institution because they realized that they were receiving real answers to real needs.*

Other microfinance institutions have been just as stubborn as Pro Mujer, letting their clients' needs shape their services:

- In Haiti, Fonkoze employs social impact monitors, who work in the branch offices interviewing clients and conducting focus groups and exit surveys all the time. By doing this, they learned that their clients want peace of mind. Anne Hastings, director of Fonkoze, explained, "They don't want to always have to worry that there's going to be another hurricane, and we've really worked hard this year [to offer] micro-insurance for catastrophes, and we've got that implemented now. There was a big rain, and already it's paying [off] for them."
- In Uganda, BRAC has developed a savings product for young girls, which is tied to livelihood training they offer at their youth center. Through this, they hope to address the issue of sexual abuse and teenage pregnancy. Fonkoze in Haiti is adapting and piloting this same program.
- In the Philippines, the Negros Women for Tomorrow Foundation has developed a tool to help women clients identify their business goals and measure progress against them, helping the clients chart their own paths out of poverty.

Understanding clients also means knowing their business opportunities, their cash flows, and the types of financial services that they are most likely to need. Comprehensive market research conducted by Oliver Wyman,<sup>24</sup> the global management consulting firm, compares microfinance supply versus potential demand based on a segmentation of the world's poor by primary livelihood. The study estimates that, of the 1.6 billion working-age poor people (those living on less than \$2 a day), only about 180 million people have a microenterprise as their main livelihood source. A much larger group of poor adults (610 million) are dependent on farming as their primary livelihood; another 80 million are pastoralists or fishermen. Unemployed and casual laborers account for 465 million, and the remaining 300 million are low-wage salaried employees.

Turning to the 610 million farmers, standard microfinance loans are not typically designed with them in mind, but microfinance has an opportunity to play a much bigger role in meeting the needs of this group. In a paper to be presented at the 2011 Global Microcredit Summit,<sup>25</sup> Sir Fazle Abed, founder of BRAC and chair of its board, and his co-authors focus on how microfinance, when combined with services and products to bolster agricultural and rural livelihoods, can help the rural poor by ensuring that agriculture remains the main source of food security and income for families.

*Microfinance, when combined with services and products to bolster agricultural and rural livelihoods, can help the rural poor by ensuring that agriculture remains the main source of food security and income for families.*

<sup>24</sup>Oliver Wyman, "Global Microfinance Supply, Demand and Gap Analysis," internal analysis prepared for the Bill & Melinda Gates Foundation, 2008.

<sup>25</sup>S. Davis et al., "Using Microfinance Plus Agricultural Services to Improve Rural Livelihoods and Food Security," in *New Pathways out of Poverty*, ed. S. Daley-Harris and A. Awimbo (Sterling, VA, USA: Kumarian Press, forthcoming 2011).

“Microfinance and agricultural services are a potentially potent combination in the quest to alleviate rural poverty and ensure food security,” write Abed et al. “The market-oriented financing mechanisms of MFIs may be a superior, more sustainable source of funding, relative to official development assistance grants and loans and charities. There are many potential synergies between MFIs and the agricultural sector. MFIs can contribute to agricultural development in three broad ways: 1) [providing] financial services, 2) [offering] education and training, and 3) [serving as] a conduit through which other players in the agricultural value chain can more effectively distribute their products.” The paper goes on to outline the many ways in which MFIs are adapting their products to support agricultural finance, including seasonal repayments, crop insurance, value chain financing, and links to other service providers, including agricultural extension services.

### Step 3: Encourage Savings

Knowing your client means knowing they need good, safe places to save as much or more than they need access to credit. MFIs that have regulatory approval to accept savings and offer appropriate savings services often have many more savers than borrowers. The Opportunity International Bank of Malawi has 45,000 borrowers and 250,000 savers. Equity Bank in Kenya has 715,000 borrowers and 4 million depositors. In 2001, Grameen Bank opened up savings facilities for non-borrowers. As of July 2011, it had over \$1.4 billion in deposits, which is 145 percent of its outstanding loan portfolio of \$965 million.

In some parts of the world, however, it is still too costly to extend regulated savings services to people living in remote areas. It is in these areas that “savings-led” microfinance has taken root, using informal savings groups as a means of providing needed financial services in places where there are no banks or MFIs. The savings-led microfinance movement argues that the “credit-led microfinance industry is not equipped to reach the hundreds of millions of people with the least financial resources”<sup>26</sup> and insists that savings groups (SG) are a better mechanism to provide access to the financial services they need. The big advantage that SGs have over most MFIs is that these groups offer savings as the “entry” service, and not loans, which some see as too risky for the poor and very poor, especially if they don’t have microenterprises to invest them in.

Savings groups offer loans to members as well, albeit in a very different way than MFIs. The groups pool their savings into a loan fund, where all interest revenue accrues to group members themselves rather than to an external institution. As such, they are often the only cost-effective financial services delivery mechanisms in sparsely populated areas with weak infrastructure, as is the case in many African countries.

A number of international non-profit organizations, including CARE, Catholic Relief Services, Oxfam America, Plan International, Aga Khan Foundation, and World Vision, have been promoting this kind of microfinance. Modeled after

*[Savings groups] are often the only cost-effective financial services delivery mechanisms in sparsely populated areas with weak infrastructure, as is the case in many African countries.*

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<sup>26</sup>CARE, 2011— *Microfinance in Africa: State-of-the-Sector Report—Closing the Gap*, <http://www.care.org/getinvolved/advocacy/access-africa/>.

traditional rotating savings and credit groups, “modern” SGs receive training that helps them become more transparent, more democratic, safer, and better managed. SG performance is measured by the same ratios as MFIs, including portfolio and asset management, portfolio quality, profitability (sustainability), and efficiency (cost per member assisted), and their performance is reported on and publicly accessible at SAVIX, the Savings Group Information Exchange.<sup>27</sup>

While the agencies that promote SGs depend on donor funds to form, train, and monitor SGs, the groups themselves earn positive returns. For instance, CARE’s village savings and loan associations report an average return on assets of 47 percent and an average cost per member assisted of \$26.20.<sup>28</sup>

The self-help groups in India are different in that they are typically linked to formal financial institutions and, unlike most SGs, do not periodically distribute the entire group fund to members. India’s National Bank for Agriculture and Rural Development (NABARD) has been promoting SHGs since the 1990s, enabling the poor and poorest to save and lend among themselves. These NABARD-promoted SHGs have reached 68 million clients, accounting for 33 percent of all clients reported to the Microcredit Summit Campaign last year (data as of December 31, 2009).<sup>29</sup>

Malcolm Harper, chair of M-CRIL’s board, proposes an overhaul of the SHG model in the wake of the difficulties faced by MFIs operating in India. He recommends that SHG membership become a route to financial inclusion, with banks providing individual savings accounts for all SHG members. Then SHGs can become a cost-effective accumulation and distribution system for a wide range of financial products, including pensions, transfers, and loans.<sup>30</sup>

Whether through regulated banks, informal savings groups, or some arrangement that links the two, savings play a key role in helping people with low and irregular incomes hold on to the surpluses they acquire, so that funds are available when they need them.

*Savings play a key role in helping people with low and irregular incomes hold on to the surpluses they acquire, so that funds are available when they need them.*

<sup>27</sup><http://savingsgroups.com/>.

<sup>28</sup>CARE, 2011— *Microfinance in Africa*.

<sup>29</sup>NABARD has played a central role for more than a decade in pioneering the self-help group movement in India, through which poor and poorest women organize themselves into savings groups. SHG members save and lend among themselves and also manage the affairs of their groups. Mature SHGs are linked to the formal banking system, which has an extensive branch network throughout the country to bolster their resources.

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

Some of NABARD’s partners (banks and NGOs) are also members of the Microcredit Summit Campaign and submit institutional action plans. In order to avoid double counting, a portion of the figures reported by these agencies has been subtracted from NABARD’s figures. 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 updated calculations—first performed in 2002, updated in 2006, and again in 2011—are based on data collected from institutions in India that 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 3.15% reduction of NABARD’s figures was taken into account when calculating total clients, total women, total poorest clients, and total poorest women.

<sup>30</sup>M. Harper, “The Microfinance Meltdown: Crisis or Opportunity for Savings Groups,” *Savings-Revolution.org*, 7/27/11, <http://savings-revolution.org/blog/2011/7/27/the-microfinance-meltdown-crisis-or-opportunity-for-savings.html>.

## Step 4: Promote Financial Literacy

As important as good client protection principles and strategies are in improving the delivery of microfinance services, they are not sufficient to empower clients to make the right decisions when it comes to managing their money or deciding how to use a loan or savings product. Nor will they ensure client loyalty. Financial education aims to help clients learn how to make appropriate, responsible financial decisions and evaluate the value and suitability of products offered by financial service providers. This is the next step in bringing about client-centered services.

A leader in this area is the Global Financial Education Program (GFEP), funded by Citi Foundation and led by Microfinance Opportunities and Freedom from Hunger.<sup>31</sup> GFEP has developed a financial education curriculum to address the topics of greatest importance to microfinance clients, including budgeting, debt management, savings, understanding bank services, managing remittances, accessing appropriate services for youth, risk management, insurance, and consumer protection. Today, the curriculum is used in over 60 countries and has been adapted to a wide range of delivery channels.

“The creativity used to convey the key messages to diverse market segments continues to amaze me,” said Monique Cohen, president of Microfinance Opportunities. “The measurement of the effectiveness of financial education is still a challenge, the field is young, and good programs scarce. However, we are beginning to learn what works; emerging results are positive.” Cohen also noted that “when the delivery of key messages is relevant and frequent and combined with the opportunity to practice new behaviors, increased levels of savings and higher loan repayment rates result.”

Financial education can also pave the way toward consumer self-help mechanisms and microfinance consumer associations. This becomes more important as many microfinance programs move more to individual lending, which does not build the kind of social capital inherent in the group-lending system.

Financial education gives clients the ability to make wise choices about the financial tools that are most appropriate for them. It helps to redress the knowledge imbalance between clients and financial service providers, helping clients to understand what they should expect from their financial institution and what to do if they are not getting it.

## Step 5: Monitor and Reward Social Performance

While there has been some concern that microfinance, which started as a social movement, has become too fixated on financial returns and scale, the remedy may be the realignment of institutions in favor of social returns on investment. The social performance movement continues to gain momentum and starts from a set

*When the delivery of key messages [through financial education] is relevant and frequent and combined with the opportunity to practice new behaviors, increased levels of savings and higher loan repayment rates result.*

*—Monique Cohen,  
Microfinance  
Opportunities*

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<sup>31</sup><http://www.globalfinancialed.org/>.

of principles outlined by the Social Performance Task Force (SPTF)<sup>32</sup> as “defining social performance as the effective translation of an institution’s social goals into practice” and “recognizing that financial performance is insufficient to achieve [the] goal of serving and improving the lives of increasing numbers of poor and excluded people sustainably.”<sup>33</sup>

The social performance movement attempts to redress mission drift by microfinance institutions and instill a new awareness in CEOs, boards, and investors that, if they adopt a social bottom line, they must be as committed to it as to their financial bottom line. Carmen Velasco, co-founder and director of Pro Mujer, spoke of this at the opening of the 2010 SPTF meeting in Bern, Switzerland, noting, “We say we are committed to fairness, transparency, and accountability. But—while I believe the intention may genuinely be there—we need to close the gap between our rhetoric and our practice.”<sup>34</sup>

Social performance goes beyond client protection measures and even client-focused microfinance. It requires microfinance practitioners not just to commit to positive change for their clients but to develop clearly defined client outcomes and to measure the clients’ progress toward achieving those outcomes. It is an ambitious goal, one that strives to bring a higher level of transparency and client focus to microfinance practitioners. However, it too faces challenges in implementation. SPTF members have not yet agreed on a set of proposed universal social performance indicators on which they will report. At their annual meeting in Den Bosch, The Netherlands, in June 2011, some argued that universal standards should set a low bar, while others would rather see them as aspirational.

SPTF has worked with the Microfinance Information Exchange (MIX) to develop a set of indicators for MFIs to include with their regular financial reporting to the MIX. The 11 indicators cover such topics as client retention, poverty outreach, transparency, and governance. Currently, about 400 of the 2,000 MFIs reporting to the MIX report on these social indicators.

Another challenge, faced by MFIs that desire to manage for social performance and use the double bottom line to measure performance, is making sure that their governing boards understand and use social performance indicators as part of their decision-making process. If board members listen more to investors than to the clients, the financial bottom line will prevail at the cost of an institution’s social ambitions.

The social performance movement is important to enable MFIs to respond to client needs as much as to investor demands. If, as Velasco urges, the microfinance industry matches rhetoric to action by committing to rigorous reporting on a set of social indicators, individual institutions will have a clear incentive to maximize social outcomes in a financially sustainable fashion. Currently, however, the financial bottom line still takes precedence for many institutions, but we hope the balance will shift. And when it does, managing for social performance will

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<sup>32</sup>The Social Performance Task Force brings together MFIs, international and national networks, donors, investors, and rating agencies to help define social performance and develop methods to manage for and measure social performance.

<sup>33</sup>See Social Performance Task Force’s *Declaration of Principles*, <http://sptf.info/sp-task-force/declaration-of-principles>.

<sup>34</sup>C. Velasco, “Welcome Address,” SPTF Annual Meeting, Bern, Switzerland, 6/30/10–7/1/10, <http://sptf.info/images/welcomeaddresscarmenvelasco2010.pdf>.

allow microfinance institutions to provide more value to their clients, as well as facilitate increased access to products and services offered by them or other actors (government, non-profit, and for-profit sectors) with a view toward eradicating poverty.

## Step 6: Be Transformative

For some MFIs, using social performance indicators has helped them see other challenges that their clients face that may keep them ensnared in poverty. In an interview earlier in this report, Rupert Scofield, CEO of FINCA, said, “There is still the question about whether you can have a real impact with just microfinance or whether you need all these other social interventions as well...like education and health care.” He is not alone. A number of MFIs have done this for decades, offering more value to their clients beyond access to financial services.

Much progress has been made in leveraging microfinance services with improved access for poor clients to health and health financing services. According to Sheila Leatherman, research professor at the University of North Carolina, and Christopher Dunford, president of Freedom from Hunger, “collaboration with microfinance providers could tap into existing, mostly self-financing distribution channels to reach millions of unserved and underserved households. Microfinance service-delivery systems offer unique opportunities for distribution of health education and services, as well as provision of healthcare financing options to millions of the hard-to-reach poor worldwide.”<sup>35</sup> The Campaign’s own experience with training MFIs in India to integrate health education and access to health services reveals that, while MFIs are initially skeptical, once they have piloted integrated services, they quickly expand them to more and more branches, as they realize the benefits for their clients and themselves.

Adding non-financial services and products can increase value to the clients, but can also be advantageous to the service provider, especially when the added service increases the client’s ability to repay, it represents a new profit opportunity for the institution (e.g., health loans) or generates increasing client loyalty. But, not all MFIs have the ability to offer non-financial services that may be beneficial for clients, either because they do not have the expertise and skills in house to do so or because they cannot provide such services and cover their cost. In that case, even social-mission microfinance providers might do better to focus on sustainable delivery of client-focused financial services, while leaving other services to providers who have a comparative advantage and expertise in providing them. Moreover, it’s not about stacking just *any* non-financial services on top of the financial services but about identifying the ones that clients really need and finding a way to deliver them powerfully.

In a similar fashion, Alex Counts, president of the Grameen Foundation, suggests that microfinance can have a much larger impact on client lives by “leveraging its human and physical infrastructure, market knowledge, and client relationships to create value for clients”: MFIs can provide access to welfare-enhancing products

*[Microfinance can have a much larger impact on client lives by] leveraging its human and physical infrastructure, market knowledge, and client relationships to create value for clients.  
—Alex Counts,  
Grameen Foundation*

<sup>35</sup>S. Leatherman and C. Dunford, “Why Integrating Microfinance, Health Education, and Other Forms of Health Protection Is Good for Your Clients and Good for Your MFI, and How Can You Incorporate It,” unpublished paper commissioned for the 2011 Global Microcredit Summit, Valladolid, Spain, 11/14–17/11.



and services, such as improved cook stoves or knowledge about improved farming techniques and financing mechanisms to make these affordable. The reverse is possible, too, where microfinance is added to an already existing delivery structure as a way to bridge the “last mile” marketing challenge in reaching rural remote and “poorest” customers with much needed services.<sup>36</sup>

Yet another approach to combining access to financial services with other products and services, previously unaffordable or unavailable to them but desperately needed to improve their welfare, is the social business model developed by Nobel laureate and founder of Grameen Bank, Muhammad Yunus. In a plenary paper for the 2011 Global Microcredit Summit in Spain, he defines a social business as a “non-loss, non-dividend company with a social objective.”<sup>37</sup> Investors can recoup their initial investment, but, after that, profits can only be invested back into the company. Yunus proposes that microfinance institutions should operate as social businesses, and he urges microfinance executives worldwide to engage in partnerships to establish social businesses and tackle poverty issues (related to health care, nutrition, safe water, energy, and so on) in a sustainable way, just as Grameen Bank has done through its partnerships with global companies, such as Danone, Adidas, Yukiguni Maitake, and several others.

These are all examples of some of the leading edges of innovation in microfinance’s contribution to poverty reduction. As microfinance continues to mature and overcome its challenges, it will be able to improve its financial services and leverage its infrastructure to facilitate access to other services as well.

But, what about people without any source of income, who may also face physical or emotional challenges that limit their ability to engage in productive activities? Can microfinance also serve this group? Based on the success of BRAC’s “Challenging the Frontiers of Poverty Reduction: Targeting the Ultra Poor” (CFPR/TUP) program, CGAP and Ford Foundation (with technical assistance from the BRAC Development Institute) are piloting 10 “graduation” programs in partnership with local organizations in eight countries.<sup>38</sup> The main building blocks of these programs consist of consumption support for a fixed time period, provision of financial services (usually savings) and a productive asset, enterprise training, close handholding support (by a field assistant), and health support (often by linking with government services or another NGO health-care provider). The idea is to create ladders out of extreme poverty by first reducing extreme vulnerability (due to food insecurity, ill health, and lack of assets) and then gradually building up sustainable livelihoods that link to value chains with growth potential.

Randomized evaluations of several pilot programs are in progress and preliminary “results from one program show that after 18 months, treatment households have 15 percent greater consumption of food than control households, increased the time spent working by one hour a day tending livestock, were more likely

*[Mohammad Yunus] defines a social business as a “non-loss, non-dividend company with a social objective.” Investors can recoup their initial investment, but, after that, profits can only be invested back into the company.*

<sup>36</sup>A. Counts, “Toward Reinventing Microfinance through Solving the ‘Last Mile Problem’: Bringing Clean Energy Solutions and Actionable Information to the Poor,” in *New Pathways out of Poverty*, ed. S. Daley-Harris and A. Awimbo (Sterling, VA USA: Kumarian Press, forthcoming 2011).

<sup>37</sup>M. Yunus, “Social Business and Microfinance: Building Partnerships with Corporations and Other Entities to Speed the End of Poverty,” in *New Pathways out of Poverty*, ed. S. Daley-Harris and A. Awimbo (Sterling, VA, USA: Kumarian Press, forthcoming 2011).

<sup>38</sup>Haiti, India, Pakistan, Honduras, Peru, Ethiopia, Yemen, and Ghana.

to report primary income from non-agricultural activities, reported lower food insecurity, received less food support from other households, saved more in their bank accounts, had greater health knowledge and improved perception of health over the past year, and had decreased symptoms of mental distress than those in control households.”<sup>39</sup>

Syed Hashemi, one of the architects of CGAP’s “graduation” programs, explains more of the thinking behind the program.

*Most of the poorest really require food aid, shelter, and livelihood support. The development instruments that make the most sense are safety nets, food or cash transfers, and guaranteed employment. However, often such safety nets do not provide the needed support to enable the poorest to create a pathway out of extreme poverty. So, while such safety nets are required to stabilize their lives, additional interventions are needed to create economic opportunities they can engage in to improve their conditions. Credit can be introduced only at a later point...If a program is effectively implemented through rigorous targeting and close monitoring, and if quality partnerships can be provided with strong financial institutions and health care providers, then over a two-year period significant numbers of the poorest can graduate out of extreme poverty and continue economic livelihood, without going back to requiring safety or welfare support.*

## Step 7: Recognize Excellence

Since its earliest beginnings, microfinance was about more than financial inclusion and providing valuable, affordable services to the poor. The pioneers of microfinance were committed to reducing poverty and seeing clients transform their lives. In a paper commissioned for a 1999 Microcredit Summit Meeting of Councils in Abidjan, Ivory Coast, Susy Cheston, senior advisor at the Center for Financial Inclusion, and Larry Reed, incoming director of the Microcredit Summit Campaign, defined transformation “as a deeply rooted change in beliefs, values, attitudes, actions, relationships, and structures manifested in a sustained higher level of existence of an individual and/or community.”<sup>40</sup> At the 2006 Global Microcredit Summit in Halifax, Canada, the Microcredit Summit Campaign adopted a goal specifically related to transformation: to ensure that 100 million families rise above the \$1.25 a day threshold, adjusted for purchasing power parity, between 1990 and 2015.

Earlier in this report, we described the difficulties we face in measuring and reaching this goal of movement out of poverty. We continue to believe that microfinance has an essential role to play in eradicating poverty and in achieving the Millennium Development Goals (MDG), especially MDG 1,<sup>41</sup> which calls

*We continue to believe that microfinance has an essential role to play in eradicating poverty and in achieving the Millennium Development Goals (MDG), especially MDG 1, which calls for the eradication of extreme poverty and hunger.*

<sup>39</sup>N. Goldberg, “A Deeper Look at Programs that Work with the Ultra-Poor,” 2011.

<sup>40</sup>S. Cheston and L. Reed, “Measuring Transformation: Assessing and Improving the Impact of Microcredit,” paper commissioned for the Microcredit Summit Meeting of Councils, Abidjan, Ivory Coast, 6/24–26/99. <http://www.microcreditsummit.org/papers/impactpaper.pdf>.

<sup>41</sup><http://www.un.org/millenniumgoals/poverty.shtml>.

for the eradication of extreme poverty and hunger. In order for microfinance to fulfill this role, we need to be able to identify and lift up those institutions that are reaching the very poor and are having success in helping their clients move out of poverty. With the *Seal of Excellence for Poverty Outreach and Transformation in Microfinance*, we hope to redefine a microfinance sector that is responsible, genuinely inclusive (including the poor), and contributing to positive change. Through the Seal of Excellence, we will recognize MFIs that combine financial sustainability and responsible practices with significant poverty outreach and a strategic approach to poverty reduction and transformation for clients.

The idea of the Seal of Excellence was initiated by the Microcredit Summit Campaign 18 months ago. Frances Sinha, managing director of EDA Rural Systems in India, describes its aim as both practical and “aspirational,” and as “inquiring beyond systems and processes to actual results in microfinance.” She also notes that a Seal of Excellence will “require responsible and ethical practices at all levels of the institution, as well as a financially sustainable bottom line. The Seal of Excellence would be for those who aspire to do more—and is intended to serve as an inspiration and as recognition of what microfinance can achieve.”<sup>42</sup>

The Microcredit Summit Campaign has reached out to hundreds of people within the industry to get their input on the methods and indicators used to assess the Seal of Excellence. Based on this, the Interim Steering Committee has developed a draft set of indicators that are being used in beta tests in several MFIs. Through this process, the Seal of Excellence will develop an assessment mechanism that helps an MFI determine whether its intentions are being realized in the lives of its clients.

Sam Daley-Harris co-founded the Microcredit Summit Campaign 16 years ago with FINCA founder John Hatch and Grameen Bank founder Muhammad Yunus.<sup>43</sup> Some 31 years ago, Daley-Harris founded the citizen lobby group RESULTS. In **Box 6**, he describes the founding of the *Seal of Excellence for Poverty Outreach and Transformation in Microfinance*.

Ultimately, the Seal of Excellence will help us identify and learn from those microfinance institutions that help clients achieve their dreams: education for their children, health for their family, decent housing that keeps the rain and cold out, and regular, nutritious meals.

*With the Seal of Excellence for Poverty Outreach and Transformation in Microfinance, we hope to redefine a microfinance sector that is responsible, genuinely inclusive (including the poor), and contributing to positive change.*

<sup>42</sup>F. Sinha, “Beyond ‘Ethical’ Financial Services: Developing a Seal of Excellence for Poverty Outreach and Transformation in Microfinance,” in *New Pathways out of Poverty*, ed. S. Daley-Harris and A. Awimbo (Sterling, VA, USA: Kumarian Press, 2011).

<sup>43</sup>Daley-Harris will leave the Campaign in 2012 to launch the Center for Citizen Empowerment and Transformation.

## Box 6: Reflections on the Seal of Excellence for Poverty Outreach and Transformation in Microfinance

The *Seal of Excellence for Poverty Outreach and Transformation in Microfinance* has its origins at a visioning dinner held during the Africa-Middle East Regional Microcredit Summit in Nairobi, Kenya, in April 2010. The facilitator, Dave Ellis of the Brande Foundation, asked the group this question: “Where do you want the field to be in 10 years—not where do you predict the field will be, but where do you want it to be?” People came to the microphone and shared their visions for the field. One participant spoke about the moral vacuum left in the United States civil rights movement by the assassination of Martin Luther King Jr. and the need to take a moral stand within the microfinance field.

I had been deeply moved by the work of Jamii Bora, an MFI in Kenya, in helping gang members turn their lives around and found myself at the microphone saying, “I envision microfinance for redemption, defined as restoring one’s honor and worth and setting one free.” I know it sounds far-fetched, but I love the idea of microfinance that aspires to restore people’s honor and worth and sets them free.

I spoke about microfinance for redemption at the Regional Microcredit Summit’s closing dinner and again two days later at the launch of the National Host Committee for the upcoming Global Microcredit Summit in Valladolid, Spain. That night in Spain, over dinner with Muhammad Yunus, a colleague and I read aloud to Yunus a negative article on the front page of *The New York Times*. The article described the interest rates of some MFIs that hovered around 125 percent in Nigeria and Mexico, and other challenges faced by the field. Two nights later I was home in Princeton, NJ, attending a friend’s party. It seemed that everyone had read the *Times* article. More than 10 people came up to me.

“Did you see the article?” one asked. “What’s wrong with microfinance?” queried another. “Don’t you have a seal of approval?” a third wondered in disbelief.

The gulf between my vision of microfinance for redemption and these painful questions was almost too great to bear. I sent my remarks in Spain to several leaders in the field. I asked for a phone call to discuss the negative article in the *Times*, juxtaposed with my call for a model of microfinance as a means of restoring people’s honor and worth and setting them free. Six of us met in April 2010 and, even though the group has expanded, we haven’t missed a month since.

Our discussions immediately focused on the possibility of creating some kind of seal of approval or seal of excellence. It was clear from the beginning that, if this was to move forward, we needed to partner with the Smart Campaign’s work on client protection, the work by the Social Performance Task Force, and others. Redemption morphed briefly into spiritual transformation and finally settled on a *Seal of Excellence for Poverty Outreach and Transformation in Microfinance*.

Frances Sinha of EDA Rural Systems in India was commissioned to write a concept note. The concept note has gone through four drafts and will be discussed in plenary at the Valladolid Summit. Funders have stepped forward and the Interim Steering Committee will grow into a Permanent Steering Committee. We have a chance to establish an aspirational vision for the field that will help identify practitioners who are doing the most to reach the poor and very poor, and who create a transformation in the lives of their clients. The difficulty

— continued on next page

*I know it sounds farfetched, but I love the idea of microfinance that aspires to restore people’s honor and worth and sets them free.*  
—Sam Daley Harris,  
Microcredit Summit Campaign

## Box 6: Reflections on the Seal of Excellence for Poverty Outreach and Transformation in Microfinance, continued

difficulty will come in establishing indicators to measure the poverty of clients and their movement out. It is clear that there must be third party verification for any institution receiving the Seal of Excellence.

This *State of the Microcredit Summit Campaign Report* is the 13th and final report with which I have been associated. The 2011 Global Microcredit Summit in Valladolid is the 15th and final Summit I will help organize. After founding RESULTS, the citizen lobby on ending global poverty 31 years ago and co-founding the Microcredit Summit Campaign 16 years ago, I look forward to launching the Center for Citizen Empowerment and Transformation in 2012.

After some 15 years at each organization, I believe it is time to move on. So I asked myself this question, “What have I done that lights me up the most and yet is least adopted, least realized in the world?” It was obvious that it was my work to create structures of support that inspire and empower citizens and allow them to create champions in the media and in Congress on such issues as ending poverty and resolving

climate issues. I want to bring the work that a number of us initiated at RESULTS to other organizations through the Center for Citizen Empowerment and Transformation.

I urge all who read this report and all who attend the Valladolid Summit to ask themselves these questions: “What is it that lights me up in my work? What is it that lights me up in microfinance?” I believe the answers to those questions will be aspirational. We can either lower our sights to what is easy or doable, or fulfill our deepest vision for the field and for the world. It really is up to us.

Let us hope that the idea birthed at a visioning dinner in Nairobi, Kenya, for the *Seal of Excellence for Poverty Outreach and Transformation in Microfinance* will be an essential vehicle for the highest aspirations in microfinance and a clear example of Victor Hugo’s statement that “nothing...is so powerful as an idea whose time has come.”

*Sam Daley-Harris is founder of RESULTS and the Microcredit Summit Campaign and will launch the Center for Citizen Empowerment and Transformation in 2012. He is based in the United States.*

*I urge all who read this report... to ask themselves these questions: “What is it that lights me up in my work? What is it that lights me up in microfinance?” I believe the answers to those questions will be aspirational.*  
—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 14 years and began verifying that data 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 500 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 1**.

Among the thousands of institutions and individual supporters in the Campaign's 16 councils, as of August 31, 2011, a total of 3,652 MFIs from 147 countries were members of the Council of Practitioners and have submitted an action plan at least once since 1998. In 2011, 609 practitioner institutions submitted an IAP, including 70 that had previously never done so. The 609 practitioners that submitted an IAP in 2011 had 56.5 percent of all the poorest clients reported. This means that the data in this report is 56.5 percent current, and the remaining 43.5 percent is one or more years old. To view a complete list of the institutions and individuals that submitted an IAP in 2011, 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 IAPs, the data provided comes from questions, such as 1) what is the total number of active clients (clients with a current loan) and 2) what is 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, 2010 (actual), December 31, 2011 (proposed) and December 31, 2012 (proposed).

In 2007, the Campaign began asking for the number of clients who have crossed the \$1.25 a day threshold. Due to a more rigorous strategy for collecting and verifying this data, it was only in last year's report that we began to present initial findings for this indicator. For further information on our work to measure movement above the \$1.25 a day threshold, go to page 4.

Each year, the Campaign emphasizes that all data is self-reported. However,

*The 609 practitioners that submitted an IAP in 2011 had 56.5 percent of all the poorest clients reported. This means that the data in this report is 56.5 percent current and the remaining 43.5 percent is one or more years old.*

Microcredit Summit Campaign staff review all practitioner IAPs received. Any institution with questionable data is asked to clarify its responses, and, if the issues 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.

## Number of Clients Reached

By December 31, 2010, a total of 3,652 MFIs<sup>44</sup> reported reaching 205,314,502 clients with a current loan. Of these clients, 137,547,441 were among the poorest when they joined their respective programs. Approximately 91.3 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 \$1.25 a day.<sup>45</sup>

## 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 328 institutions was verified, representing 53 percent of the total poorest clients reported, or 72,385,972 poorest families (**Table 3**).

*By December 31, 2010, 3,652 MFIs reported reaching 205,314,502 clients with a current loan. Of these clients, 137,547,441 were among the poorest when they joined their respective programs.*

<sup>44</sup>Of these 3,652 institutions, 609 sent in IAPs in 2011. The 3,043 remaining institutions, which represent 43.5 percent of the total poorest clients reported this year, sent data in previous years, and the Secretariat has included those numbers in this report.

<sup>45</sup>According 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 \$1.25 a day threshold in the developing world. Of these, 912 million (or 66.4%) reside in Asia (<http://iresearch.worldbank.org/PovcalNet/povDuplic.html>).

This year, data from 328 institutions was verified, representing 53 percent of the total poorest clients reported or 72,385,972 poorest families.

Table 3: Results of the Verification Process, 12/31/99-12/31/10

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
12/31/09*	327	119,490,847	93	128,220,051
<b>12/31/10</b>	<b>328</b>	<b>72,385,972</b>	<b>53</b>	<b>137,547,441</b>

\* In 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.

## 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 (**Table 4**). A significant portion of the growth that year came from NABARD, which had expanded dramatically over the previous four years. As mentioned on page 23, NABARD is the apex development bank in India promoting Self-Help Groups (SHGs), many of which are linked to formal banking institutions. In this year's data, 10.4 percent of the growth is a result of institutions reporting for the first time, covering data from December 31, 2010.

Table 4: Growth in Poorest Clients from Institutions Reporting for the First Time, 2000-2010

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
<b>12/31/10</b>	<b>10.4</b>



The growth from 7.6 million poorest at the end of 1997 to 137.5 million poorest at the end of 2010 represents a growth of 1,710 percent during this thirteen-year period (Table 5).

*The growth from 7.6 million poorest at the end of 1997 to 137.5 million poorest at the end of 2010 represents a growth of 1,710 percent during this thirteen-year period.*

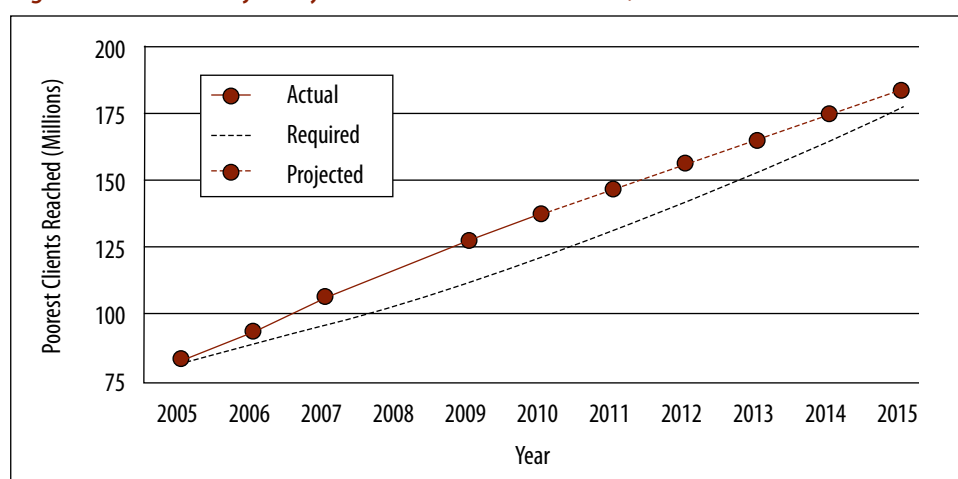
**Table 5: Progress in Reporting, 1997-2010**

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	3,589* institutions	190,135,080	128,220,051
<b>12/31/10</b>	<b>3,652 institutions</b>	<b>205,314,502</b>	<b>137,547,441</b>

\*The small increase in the number of institutions reporting December 31, 2009 data 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.

Figure 5 shows the actual growth in number of poorest clients reached since 2005, projected growth until 2015, and growth required to reach 175 million of the world's poorest families by 2015.

**Figure 5: Growth Trajectory of Poorest Clients Reached, 2005–2015**



## Distribution of Clients by Institution Size

Of the 137.5 million poorest clients reached in 2010, 122.5 million of them (89 percent) are being served by the 85 largest institutions and networks reporting to the Campaign, all with 100,000 or more poorest clients. Table 6 shows the breakdown by size of the 3,652 institutions whose data are included in this report.

**Table 6: Reporting 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	13	40,267,670	29.28
100,000 - 999,999	64	17,095,196	12.43
10,000 - 99,999	361	10,877,810	7.91
2,500 - 9,999	558	2,731,044	1.99
Fewer than 2,500	2,648	1,470,448	1.07
Networks*	8	65,105,273	47.33

\*"Networks" include umbrella organizations providing financial support (Ananya Finance for Inclusive Growth and Foundation for a Sustainable Society, Inc.), technical support (ACCESS Development Services, Association of Asian Confederation of Credit Unions, and All India Association for Micro Enterprise Development), promotion and development support (NABARD), and large Government sponsored programs (Bangladesh Rural Development Board and Mahila Arthik Vikas Mahamandal).

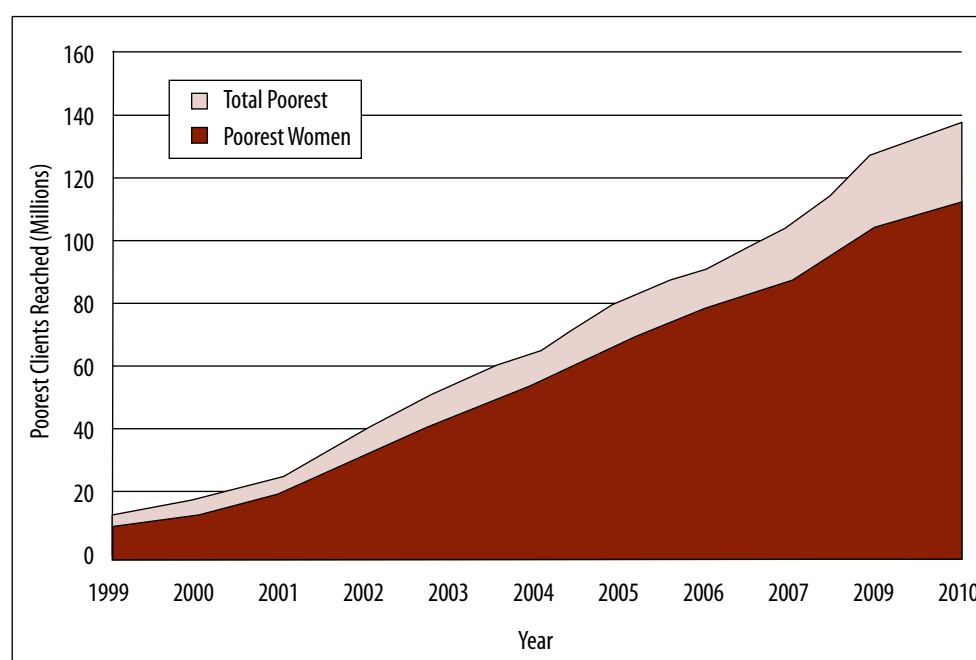
*Of the 137.5 million poorest clients reached at the end of 2010, 82.3 percent (113.1 million) are women. The growth in the number of very poor women reached has increased from 10.3 million at the end of 1999 to 113.1 million at the end of 2010. This is a 1,001 percent increase in the number of poorest women reached from December 31, 1999 to December 31, 2010. The increase represents an additional 102.9 million poorest women receiving microloans in the last 11 years.*

## Women Clients Reached

Of the 137.5 million poorest clients reached at the end of 2010, 82.3 percent (113.1 million) are women. The growth in the number of very poor women reached has increased from 10.3 million at the end of 1999 to 113.1 million at the end of 2010. This is a 1,001 percent increase in the number of poorest women reached from December 31, 1999 to December 31, 2010. The increase represents an additional 102.9 million poorest women receiving microloans in the last 11 years.

**Figure 6** shows the growth in the number of poorest women reached in relation to the total number of poorest people reported as receiving microloans in the last 11 years.

**Figure 6: Growth of the Number of Poorest Women Reached in Relation to Total Poorest People Reached**



## 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 methodology they used, if any, to target or identify poorest clients. Of the institutions reporting that year, 66.6 percent (341 of 512 institutions submitting an IAP in 2000) reported using a tool other than an estimate. Of the 609 institutions submitting data this year, 553 reported the number of their clients living on less than \$1.25 a day. Of those 553 IAPs received, 346 institutions (62.7 percent) reported using a poverty measurement methodology 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 for organizations to use within their social performance management system. It is an inexpensive and easy-to-collect scorecard (10 questions) that assesses simple, non-financial indicators. The Grameen Foundation, in collaboration with CGAP, the Ford Foundation, and other donors, commissioned Microfinance Risk Management, L.L.C. to develop PPIs globally. The PPI provides information that enables 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 offered training, resources and support to promote adoption of the PPI. Currently, Grameen Foundation is aware of 106 different organizations globally using the PPI.

Another valuable tool, the USAID Poverty Assessment Tool (PAT), is a short and simple household survey (albeit typically a bit longer than the PPI) used to measure the prevalence of poverty among a population. Each PAT includes a short, country-specific survey (10–25 questions) that takes less than 20 minutes to conduct. The survey collects a variety of information, including household member characteristics, housing conditions, and ownership of durable assets. The data gathered from these surveys is then entered into a data-entry template, from which specific software (CSPro or Epi Info) processes the data to calculate simple statistics and estimates the share of households living below several poverty lines. The basis for the PAT surveys is 10 to 25 indicators that have been identified as the best predictors of the poverty levels. These indicators were selected with statistical methods from a large pool of potential indicators derived from data from nationally representative household surveys. PAT implementers are supported by a wide variety of free resources, including country-specific user guides, an implementation manual, in-person and online trainings, an online forum and a help desk. By mid-September 2011, PATs will be available for 38 countries; currently 25-30 organizations are using them.

## Regional Data

Of the 3,652 microfinance institutions that have reported to us since 1998, 1,009 are in sub-Saharan Africa, 1,746 are in Asia and the Pacific, and 647 are in Latin America and the Caribbean (Table 7).

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; from Eastern Europe and Central Asia, provided by the Microfinance Center (MFC); and from North America, provided by the Aspen Institute. The data from these institutions does not include information on poorest clients reached.

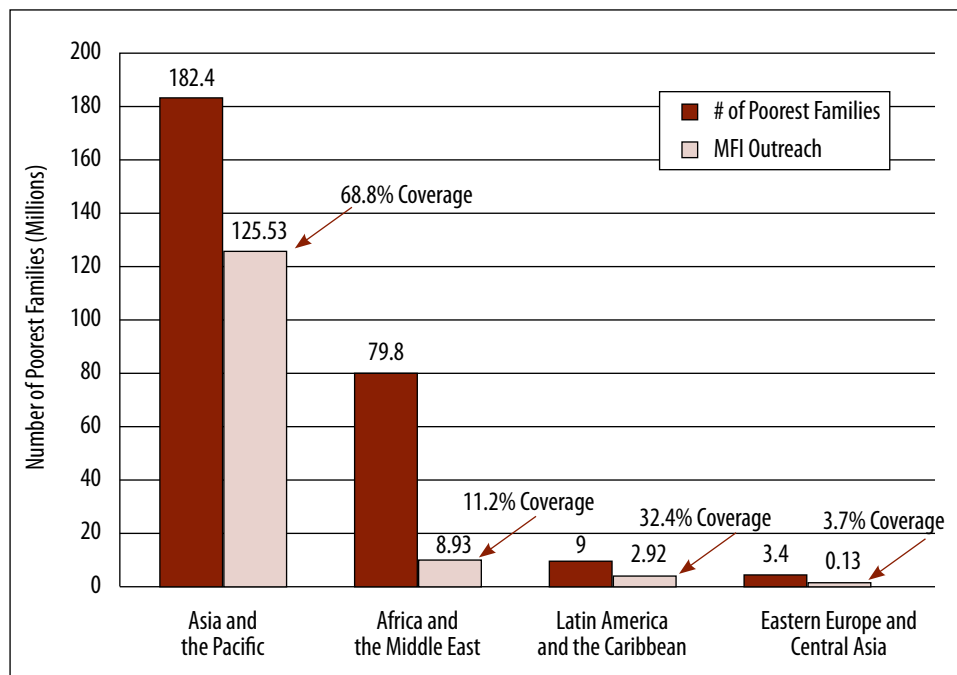
Some of the networks' partner MFIs are also members of the Campaign and submit Institutional Action Plans. In order to avoid double counting, we deduct the total number of clients reported by those MFIs from the total numbers received from Sanabel, MFC, and the Aspen Institute. The data reported by Sanabel represents 68 members of which 31 have reported to the Campaign. The data reported by MFC represents more than 80 members, of which 17 have reported to the Campaign. The Aspen Institute represents 42 organizations, none of which has reported to the Campaign since 2005 (therefore, we have not deducted any numbers from their data).

**Table 7: Regional Breakdown of Microfinance Data**

Region	Number of programs reporting	Number of total clients in 2009	Number of total clients in 2010	Number of poorest clients in 2009	Number of poorest clients in 2010	Number of poorest women clients in 2009	Number of poorest women clients in 2010
Sub-Saharan Africa	1,009	10,776,726	12,692,579	6,360,861	7,248,732	3,935,808	4,783,256
Asia & the Pacific	1,746	156,403,658	169,125,878	117,178,142	125,530,437	97,385,541	104,752,430
Latin America & the Caribbean	647	12,257,181	13,847,987	2,834,742	2,919,646	1,935,685	2,363,100
Middle East & North Africa	91	4,552,387	4,290,735	1,492,322	1,680,181	1,217,113	1,165,358
<b>Developing World Totals</b>	<b>3,493</b>	<b>183,989,952</b>	<b>199,957,179</b>	<b>127,866,067</b>	<b>137,378,996</b>	<b>104,474,146</b>	<b>113,064,144</b>
North America & Western Europe	86	148,628	155,254	109,318	41,809	56,651	12,214
Eastern Europe & Central Asia	73	5,996,500	5,202,069	233,810	126,636	163,318	62,294
<b>Industrialized World Totals</b>	<b>159</b>	<b>6,145,128</b>	<b>5,357,323</b>	<b>343,128</b>	<b>168,445</b>	<b>219,969</b>	<b>74,508</b>
<b>Global Totals</b>	<b>3,652</b>	<b>190,135,080</b>	<b>205,314,502</b>	<b>128,209,195</b>	<b>137,547,441</b>	<b>104,694,115</b>	<b>113,138,652</b>

**Figure 7** shows the relationship between the number of families living in absolute poverty in each region (i.e., those living on less than \$1.25 a day adjusted for purchasing power parity) and the number of poorest families reported that were reached with a microloan in each region at the end of 2010.

**Figure 7: Regional Breakdown of Access to Microfinance\***



\* **Figure 7** compares the regional outreach of microcredit with data on people living on \$1.25 a day found in the World Bank's *2011 World Development Indicators* (<http://data.worldbank.org/data-catalog/world-development-indicators/wdi-2011>) and further verified with PovcalNet (<http://iresearch.worldbank.org/PovcalNet/povDuplic.html>).

## Conclusion

*I noticed some books on an overhanging plank tied by a rope from the ceiling. “Who reads those?” I asked. Jorimon replied that she and her husband were both illiterate—“blind”...But she was not going to keep her children in darkness. She wanted to educate them so that they can take their rightful place among worthy people. They will then be honored in society.*

– Excerpted from *Jorimon and Others* by Muhammad Yunus (1991)

Jorimon’s story was written nearly 30 years ago, and her vision of a hopeful future awaiting her children made possible by her experience with the Grameen Bank Project still inspires today. Equally inspiring is Beatriz de Chavarría, a client of CRECER, an MFI in Bolivia. She told interviewers, “I dream about having a parcel of land for my children. If I’m able, that’s my wish. I’m working towards that goal by saving, and with my children’s help, I’ll probably be able to make my wish come true.” Both women have such humble dreams—dreams made possible, in part, by access to financial services that fit their needs.

Yet Jorimon and Beatriz are honest with themselves about the responsibility that comes with the credit. “Credit helps considerably. If it’s invested, then it’s good, but if it’s misspent, it’s not good. You need know what you will invest in,” insisted Beatriz. Furthermore, client stories do not always end happily. Elena Melo, another CRECER client, shared her story of when microfinance went wrong:

*Five years ago, I received credit from three banks and couldn’t pay back because my business didn’t provide enough money to pay. I just couldn’t make any sales. I ended up having to sell my car to fulfill my loan obligations.*

*Another reason for these problems has to do with my husband’s alcoholism—that is why I failed. I hoped he would improve, but there was no cure for his problem. With that bad experience, I learned a real lesson and never take loans from many MFIs. I now take less, not more. I recovered and, you know, you have to continue until you make it.*

Sometimes misfortune drags clients down and sometimes clients make decisions that leave them overextended. But, as we’ve seen throughout the report, MFIs share in the responsibility for the success *and* failure of their clients. And MFIs are not lone actors in this: investors, donors, government officials, networks, and advocates, all have to provide incentives that encourage MFIs to put their clients first. Working together, we can normalize client protection principles, set universal standards for social performance, and then, for those who share that vision, push the limits of innovation toward an aspirational model of microfinance for poverty outreach and transformation.

In this report, we have set out seven steps as a framework for addressing the challenges we face in microfinance. These steps are not new concepts, and they already have a great deal of support and momentum. What we are advocating is a

*Working together, we can normalize client protection principles, set universal standards for social performance, and then, for those who share that vision, push the limits of innovation toward an aspirational model of microfinance for poverty outreach and transformation.*

comprehensive approach to refocus our attention on the client's needs, to not shy away from aspirational goals.

We applaud and support the work of the Smart Campaign, MicroFinance Transparency, and the Social Performance Task Force in establishing standards and practices for the industry to follow. But, client protection, transparency, and social performance alone will not ensure that we are reaching poor people and helping those people move out of poverty. With the *Seal of Excellence for Poverty Outreach and Transformation in Microfinance*, we hope to recognize and learn from those organizations and individuals that are taking on the challenging task of supporting clients living in poverty to risk dreaming again, and begin to attain those dreams.

The dreams of our clients—regular meals for the entire family, a home that provides shelter from the cold and rain, an education that gives children a chance to live a better life than their parents—these are things that many of us take for granted. But, for over a billion people around the world, these basic elements remain dreams rather than realities. Our dream is to see microfinance become an ever more powerful tool for helping our clients achieve theirs.

*Our dream is to see microfinance become an ever more powerful tool for helping our clients achieve [their dreams].*

## Afterword

Sam Daley-Harris organized the first the Microcredit Summit in 1997, an outgrowth of the RESULTS citizens lobby he founded to pressure governments to take action against global poverty. That first Summit gathered 2,900 people, representing 1,500 institutions from 137 countries, in Washington, D.C., to launch a campaign to reach 100 million of the world's poorest families, especially the women of those families, with credit for self-employment and other financial and business services by the year 2005.

As he explains in **Box 6**, this will also be the last report with Sam Daley-Harris serving as the director of the Microcredit Summit Campaign. Next year, he takes up the new challenge of launching the Center for Citizen Empowerment and Transformation. As we conclude this report, we want to take a moment to reflect on the work that Sam has done to help galvanize a movement and focus it on serving the world's poorest. Sam's efforts have played a key role in bringing microfinance to the world stage, letting the world's government and business leaders know that they can play a part in giving opportunity to people with low or no incomes to provide for themselves and their children.

In another *State of the Microcredit Summit Campaign Report*, Sam quoted Mahatma Gandhi, who said, "Whenever you are in doubt...apply the first test. Recall the face of the poorest and weakest man [*sic*] whom you may have seen, and ask yourself if the step you contemplate is going to be any use to him. Will he gain anything from it? Will it restore him to a control over his own life and destiny? True development puts those first that society puts last."

These are the questions that Sam has used to guide the work of the Microcredit Summit Campaign. "Putting those first who society puts last" guides us now as we call on microfinance to reclaim its vision of helping the poorest provide a better life for themselves and their families. Because wherever there are women struggling to keep their children in school, to put food on the table and to have a safe place to live, we will continue working to achieve Sam's vision. We ask you to join us.



## Acknowledgements

This year, more than 1,000 people and institutions contributed to the production of the *State of the Microcredit Summit Campaign Report*. More than 700 institutions and individuals submitted an institutional action plan in 2011 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 of data. Over 160 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.

Furthermore, we want to thank Sam Daley-Harris for giving us the opportunity to write this edition of the report during his last year as director of the Microcredit Summit Campaign. We wish him the best of luck with the launch of the Center for Citizen Empowerment and Transformation. We are grateful to Sam and Sabina Rogers for their invaluable support, through multiple rounds of interviews, conducting a number of the interviews and making sure that we accurately represent the vision of the Campaign and the progress that has been toward the Campaign's goals and core themes.

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This report is the result of the contributions and experiences of many people who shared them generously. The decisions about what got put in and what got left out were ours, and we take full responsibility for any errors that are found in this report.

Jan Maes  
Westmoreland, NH, USA

Larry Reed  
Oak Park, IL, USA

August 17, 2011

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

Name	Country
Credit and Development Forum (CDF)	Bangladesh
Grameen Trust	Bangladesh
Palli Karma-Sahayak Foundation (PKSF)	Bangladesh
Asociación de Instituciones Financieras para el Desarrollo Rural (FINRURAL)	Bolivia
Association Professionnelle des Institutions de Microfinance (APIM) au Burkina Faso	Burkina Faso
Réseau des Institutions de Microfinance (RIM) au Burundi	Burundi
Cambodia Microfinance Association	Cambodia
National Association of Microfinance Institutions in Cameroon (ANEMCAM)	Cameroon
Développement international Desjardins (DID)	Canada
Red Financiera Rural (RFR)	Ecuador
Sanabel – The Microfinance Network for the Arab Countries	Egypt
Ghana Microfinance Institutions Network (GHAMFIN)	Ghana
Red de Instituciones de Microfinanzas de Guatemala (REDIMIF)	Guatemala
Association Nationale des Institutions de Microfinance (ANIM) d’Haïti	Haiti
Katalysis Red Microfinanciera Centroamericana	Honduras
Red de Microfinancieras de Honduras (REDMICROH)	Honduras
ACCESS Development Services	India
Ananya Finance for Inclusive Growth Pvt. Ltd.	India
National Bank for Agriculture and Rural Development (NABARD)	India
Sa-Dhan	India
Small Industries Development Bank of India (SIDBI)	India
Gema PKM Indonesia	Indonesia
Rural Microfinance Development Centre Ltd. (RMDC)	Nepal
Red Centroamericana de Microfinanzas (REDCAMIF)	Nicaragua
LAPO Microfinance Bank Limited	Nigeria
Pakistan Microfinance Network (PMN)	Pakistan
Pakistan Poverty Alleviation Fund (PPAF)	Pakistan
Consortio de Organizaciones Privadas de Promoción a la Pequeña y Microempresa de Perú (COPEME)	Peru
Federación Peruana de Cajas Municipales de Ahorro y Crédito (FEPCMAC)	Peru
People’s Credit and Finance Corporation (PCFC)	Philippines
Association of Microfinance Institutions of Uganda (AMFIU)	Uganda
CARE USA	USA
Catholic Relief Services	USA
CHF International	USA
Freedom from Hunger	USA
Grameen Foundation	USA
Opportunity International	USA

<b>Name</b>	<b>Country</b>
Plan International	USA
Pro Mujer / Pro Women International	USA
World Relief	USA
World Vision International	USA
Vietnam Bank for Social Policies (VBSP)	Vietnam

## Appendix I: Verified Microfinance Institutions

This is the eleventh year that the Microcredit Summit Campaign conducted the verification process in order to confirm the data reported by our largest members.<sup>46</sup> Practitioner MFIs that submitted a 2011 Institutional Action Plan reporting more than 2,500 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.<sup>47</sup>

The data from 328 practitioner MFIs was corroborated by at least one external organization (found in **Appendix II**). These 328 institutions reported reaching 72.4 million poorest clients by the end of 2010, or 53 percent of the total number of poorest clients reported.

Institution	Country	Poorest Clients as of 31 Dec. 2010	% Poorest Clients that are Women	Total Active Clients as of 31 Dec. 2010	% Total Women	Verified by
<b>ASIA and the PACIFIC</b>						
Grameen Bank	Bangladesh	8,340,000	96	8,340,000	96	128
Association of Asian Confederation of Credit Unions	Thailand	6,965,250	56	7,660,720	57	31
SKS Microfinance Ltd.	India	6,020,684	100	6,663,252	100	44
Bangladesh Rural Development Board	Bangladesh	5,132,479	70	5,438,000	70	4
Spandana Sphoorty Financial Ltd.	India	4,188,655	89	4,188,655	89	44
Vietnam Bank for Social Policies	Vietnam	3,617,057	52	8,166,287	52	42
ASA Bangladesh	Bangladesh	3,350,623	90	4,467,497	89	19
BRAC	Bangladesh	3,340,000	99	5,450,000	95	19
Share Microfin Ltd.	India	2,552,208	100	2,552,208	100	44
Bandhan Financial Services Pvt. Ltd.	India	2,329,783	100	3,009,907	100	105
Asmitha Microfin Ltd.	India	1,483,737	100	1,561,828	100	44
Equitas Micro Finance India Pvt. Ltd.	India	1,403,385	100	1,403,385	100	130
Ananya Finance for Inclusive Growth Pvt. Ltd.	India	1,338,608	100	1,673,261	100	67
CARD MRI	Philippines	1,244,582	99	1,244,582	99	146
Grama Vidiyal Micro Finance Ltd.	India	1,212,601	100	1,212,601	100	9
Sri Kshetra Dharmasthala Rural Development Project	India	1,184,355	75	1,315,950	75	92
BURO Bangladesh	Bangladesh	755,099	100	755,099	100	19
Central People's Credit Fund of Vietnam	Vietnam	667,000	45	1,450,000	45	76
Mahila Arthik Vikas Mahamandal Ltd.	India	630,704	100	734,133	100	48
ASA International	Bangladesh	564,630	99	705,788	99	110
Working Women's Forum	India	529,961	100	529,961	100	145
CASHPOR Micro Credit	India	470,893	100	470,893	100	143
Shakti Foundation for Disadvantaged Women	Bangladesh	457,951	99	457,951	99	132

<sup>46</sup>By 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 are reliable and credible."

<sup>47</sup>"Poorest" in developing countries refers to any of the 1.4 billion who live on less than \$1.25 a day adjusted for purchasing power parity, or families whose income is in the bottom 50 percent of all those living below their country's poverty line, when they started with their respective programs. (Based on the 2011 *World Development Indicators*, <http://data.worldbank.org/data-catalog/world-development-indicators/wdi-2011>)

Institution	Country	Poorest Clients as of 31 Dec. 2010	% Poorest Clients that are Women	Total Active Clients as of 31 Dec. 2010	% Total Women	Verified by
Grameen Financial Services Pvt. Ltd.	India	377,013	100	382,466	99	119
Samurdhi Authority of Sri Lanka	Sri Lanka	360,000	40	720,000	65	13
National Rural Support Programme	Pakistan	349,246	54	432,769	54	16
Thengamara Mohila Sabuj Sangha	Bangladesh	329,800	98	515,370	98	19
Khushhali Bank Ltd.	Pakistan	325,523	25	325,523	25	3
Islami Bank Bangladesh Ltd.	Bangladesh	319,859	82	319,859	82	19
Cauvery Kalpatharu Grameen Bank	India	314,070	95	314,070	95	68
PADAKHEP Manabik Unnayan Kendra	Bangladesh	299,166	86	334,566	86	19
TSPI Development Corporation	Philippines	281,780	100	282,920	100	43
State Ministry of National Family Planning Coordinating Board, Indonesia (BKKBN)	Indonesia	278,088	95	278,088	95	78
Karnataka Regional Organisation for Social Service	India	250,000	100	250,000	100	147
BSS Microfinance Pvt. Ltd.	India	234,860	100	234,860	100	163
Kashf Foundation	Pakistan	234,000	100	312,146	100	15
Jagorani Chakra Foundation	Bangladesh	228,408	97	285,511	95	19
United Nations Development Program Microfinance Project Executed by Pact Institute in Myanmar	Myanmar	207,391	99	345,652	99	97
RDRS Bangladesh	Bangladesh	190,269	89	253,692	89	111
Caritas Bangladesh	Bangladesh	189,106	77	218,513	77	19
Professional Assistance for Development Action	India	185,800	100	195,600	100	80
Palli Daridro Bimochon Foundation	Bangladesh	175,000	95	600,000	98	19
BWDA Finance Ltd.	India	155,843	85	458,362	86	106
Proshika Manobik Unnayan Kendra	Bangladesh	142,959	67	1,191,332	64	19, 156
Angkor Mikroheranhvatho (Kampuchea) Co., Ltd.	Cambodia	142,175	85	250,930	86	155
Swanirvar Bangladesh	Bangladesh	138,955	90	463,027	90	19
Mitra Bisnis Keluarga Ventura	Indonesia	137,427	100	211,155	100	11, 126
South Malabar Gramin Bank	India	123,115	65	820,750	35	121
United Development Initiatives for Programmed Actions	Bangladesh	120,350	94	203,984	89	110
Foundation for a Sustainable Society, Inc.	Philippines	119,743	90	149,679	85	47
National Bank of Cambodia	Cambodia	116,486	80	1,020,784	80	153
The First Microfinance Bank Ltd.	Pakistan	113,648	35	151,531	34	3
Sanghamithra Rural Financial Services	India	112,000	99	124,569	99	122
Resource Integration Centre	Bangladesh	110,890	90	114,830	90	19
Madura Micro Finance, Ltd.	India	110,597	100	276,493	100	104
ASA Philippines Foundation, Inc.	Philippines	98,603	100	299,433	100	164
Chhimek Bikas Bank Ltd.	Nepal	96,972	100	97,646	100	141
Bangladesh Extension Education Services	Bangladesh	91,985	93	110,017	93	19
Nirdhan Utthan Bank Ltd.	Nepal	91,321	100	91,321	100	83
Palli Mongal Karmosuchi	Bangladesh	82,245	100	108,385	100	19
ESAF Micro Finance and Investments Pvt. Ltd	India	80,000	99	326,069	99	79
Village Financial Services Pvt. Ltd.	India	79,548	100	243,756	100	22
Integrated Development Foundation	Bangladesh	78,025	100	82,132	100	19, 96
Eco-Social Development Organisation	Bangladesh	75,497	99	118,611	97	19
Manabik Shahajya Sangstha	Bangladesh	71,275	100	108,658	100	19, 96
HOPE Foundation	India	71,000	100	81,000	100	124

Institution	Country	Poorest Clients as of 31 Dec. 2010	% Poorest Clients that are Women	Total Active Clients as of 31 Dec. 2010	% Total Women	Verified by
HEED Bangladesh	Bangladesh	70,012	97	72,188	97	19
Sajida Foundation	Bangladesh	68,953	94	98,504	94	19
Swabalamban Laghubitta Bikas Bank Ltd.	Nepal	67,340	100	67,340	100	141
Christian Service Society	Bangladesh	65,940	96	115,919	95	160
Ad-din Welfare Centre - Jessore	Bangladesh	62,099	99	95,538	99	19
Centre for Development Innovation and Practices	Bangladesh	61,080	95	71,859	92	19
China Foundation for Poverty Alleviation	People's Republic of China	60,517	84	67,241	84	72, 166
Asomi Finance Pvt. Ltd.	India	59,616	99	59,616	99	23, 140
Muslim Aid UK - Bangladesh Field Office (Muslim Aid Bangladesh)	Bangladesh	58,541	99	69,036	99	19
Coastal Association for Social Transformation Trust	Bangladesh	55,243	97	58,151	96	19
SKS Foundation	Bangladesh	54,855	100	93,331	99	19
Negros Women for Tomorrow Foundation	Philippines	54,059	99	85,808	99	14
WAVE Foundation	Bangladesh	53,835	99	92,125	99	107
Network of Entrepreneurship & Economic Development	India	53,000	90	59,281	90	80
BRAC Sri Lanka	Sri Lanka	52,498	100	65,607	100	93
Sonata Finance Pvt. Ltd.	India	52,335	100	130,837	100	79
Gram Utthan	India	51,768	100	69,957	100	5
ASA Pakistan Ltd.	Pakistan	51,228	99	85,380	99	3
Jeevan Bikas Samaj	Nepal	51,120	100	51,120	100	141
Rural Reconstruction Foundation	Bangladesh	48,956	99	212,576	98	19
Palli Progati Shahayak Samity	Bangladesh	48,490	99	48,490	99	19
ASHRAI	Bangladesh	48,329	100	48,329	100	19
Mahasemam Trust	India	47,723	100	79,539	100	149
Adhikar	India	46,271	100	67,059	100	44
Forum for Rural Women Ardency Development	Nepal	41,960	100	41,960	100	141
Ansar - VDP Unnayan Bank	Bangladesh	41,800	65	97,158	70	19
Nerude Laghubitta Bikas Bank Ltd.	Nepal	41,727	100	41,727	100	141
Small Farmers Development Foundation	Bangladesh	39,100	63	68,430	72	19
Centre for Self-Help Development	Nepal	38,087	100	38,182	100	141
Thardeep Rural Development Program	Pakistan	34,186	70	34,186	70	16
The Institute of Rural Development	Bangladesh	34,000	98	50,000	98	19
Society for Social Service	Bangladesh	33,528	100	279,931	96	156
Bangladesh Association for Social Advancement	Bangladesh	32,900	98	86,600	98	19
Holy Cross Social Service Centre	India	32,300	100	32,300	100	66, 144
ChildFund India	India	31,668	77	34,800	77	5
Society Development Committee	Bangladesh	30,091	98	48,534	94	19
Aakay Ang Milamdec Microfinance Foundation, Inc.	Philippines	29,836	99	29,836	99	14
PAGE Development Centre	Bangladesh	29,382	100	62,517	98	19
Assistance for Social Organization and Development	Bangladesh	29,055	100	55,418	100	19
ATMABISWAS	Bangladesh	28,435	96	29,930	96	19
Mitra Dhu'afa Foundation (Koperasi Mitra Dhuafa)	Indonesia	28,000	100	38,124	100	39
Kazama Grameen Inc.	Philippines	27,811	99	27,811	99	61, 96
Uttara Development Program Society	Bangladesh	26,000	100	104,000	99	19

Institution	Country	Poorest Clients as of 31 Dec. 2010	% Poorest Clients that are Women	Total Active Clients as of 31 Dec. 2010	% Total Women	Verified by
People's Oriented Program Implementation	Bangladesh	25,914	100	165,553	99	19
Ujivan Financial Services Pvt. Ltd.	India	24,635	100	821,173	100	12, 34
Bandhu Kallyan Foundation	Bangladesh	24,242	90	30,303	85	19
Al-Falah Aam Unnayan Sangstha	Bangladesh	23,596	99	29,495	99	19
Akhuwat	Pakistan	23,292	21	25,880	33	87
Shishu Niloy Foundation	Bangladesh	23,062	99	23,295	99	19
Srizony Bangladesh	Bangladesh	22,725	100	37,304	96	19
Heifer Project International China	People's Republic of China	21,000	39	26,156	40	49
Village Education Resource Center	Bangladesh	20,000	98	43,158	98	19
Sewa Bank	India	20,000	100	25,000	100	101
Social Advancement Through Unity	Bangladesh	19,816	100	64,194	92	156
Gram Unnayan Karma	Bangladesh	19,778	100	86,722	96	110,156
MAMATA	Bangladesh	19,165	91	29,370	92	37
Development Initiative for Social Advancement	Bangladesh	17,940	86	21,765	95	19
Somaj O Jati Gathan	Bangladesh	17,500	44	35,922	39	19
Enterprise Bank, Inc.	Philippines	16,272	98	46,826	95	61
Sindh Agricultural and Forestry Workers Coordinating Organization	Pakistan	15,784	40	26,306	48	3
Gono Kallayan Trust	Bangladesh	15,743	95	22,491	96	19
People's Bank of Caraga, Inc.	Philippines	15,734	91	39,335	91	61
Joypurhat Rural Development Movement	Bangladesh	15,716	87	26,605	86	19
Shariatpur Development Society	Bangladesh	14,978	100	42,795	100	19
Centre for Mass Education in Science	Bangladesh	14,362	68	16,827	73	19
Bangladesh Environment Development Organisation	Bangladesh	13,110	91	15,423	91	19
Vayalar Memorial Youth Club	India	12,500	100	12,500	100	165
Orix Leasing Pakistan Ltd.	Pakistan	12,408	97	17,476	95	3
Pally Bikash Kendra	Bangladesh	12,369	98	38,367	98	19
Nabolok Parishad	Bangladesh	12,352	99	15,425	99	131
Ad Jesum Development Foundation, Inc.	Philippines	12,305	90	13,672	90	7
PROGRESS (Akti Samaj Unnayan Mulak Sangstha)	Bangladesh	12,055	98	30,139	98	19
Hilful Fuzul Samaj Kallyan Sangstha	Bangladesh	12,035	55	14,714	55	19
Grameen Jano Unnayan Sangstha	Bangladesh	12,000	100	20,900	100	19
BRAC Pakistan	Pakistan	12,000	100	83,797	100	3
National Development Programme	Bangladesh	11,804	100	47,217	99	19
Nowabanki Gonomukhi Foundation	Bangladesh	11,370	98	33,442	91	19
Women Cooperative Society Ltd	Nepal	11,339	100	11,339	100	24
Sabalambay Unnayan Samity	Bangladesh	10,450	100	30,136	99	19
Funding the Poor Cooperative - Chinese Academy of Social Sciences	People's Republic of China	10,331	80	15,894	93	96
MANUSHI	Nepal	9,732	100	9,732	100	141
Annesha Foundation	Bangladesh	9,427	98	16,060	98	19
SETU	Bangladesh	9,057	99	43,418	99	19
Alalay Sa Kaunlaran Sa Gitnang Luzon, Inc.	Philippines	8,974	19	48,094	78	14
Capital Aid Fund for Employment of the Poor - Ho Chi Minh City	Vietnam	8,932	76	164,400	76	96
Bina Swadaya	Indonesia	8,930	100	27,102	84	148



Institution	Country	Poorest Clients as of 31 Dec. 2010	% Poorest Clients that are Women	Total Active Clients as of 31 Dec. 2010	% Total Women	Verified by
GHASHFUL	Bangladesh	8,700	99	28,609	99	19
Proyas Manobik Unnayan Society	Bangladesh	8,500	100	14,037	100	19
MOUSUMI	Bangladesh	8,475	96	14,853	96	19
Serviamus Foundation Incorporated	Philippines	8,451	100	10,563	99	14
Centre for Advanced Research and Social Action	Bangladesh	8,200	97	9,131	97	19
OPP-Orangi Charitable Trust	Pakistan	8,186	14	45,478	10	16
Fund for the Encouragement of Self-Reliance	Vietnam	8,116	89	15,434	88	114
Grameen Development Services	India	8,100	100	10,000	100	80
Jinnah Welfare Society	Pakistan	7,683	93	13,719	95	16
Grameen Manobik Unnayan Sangstha	Bangladesh	7,420	86	24,258	88	19
Young Power in Social Action	Bangladesh	7,390	96	12,742	90	19
Nav Bharat Jagriti Kendra	India	7,356	85	9,163	80	116
Solidarity	Bangladesh	7,115	92	8,894	93	19
World Concern Bangladesh	Bangladesh	7,094	92	14,596	92	19
Alternative Development Initiative	Bangladesh	7,000	85	19,216	91	19
Community Support Concern	Pakistan	6,990	100	11,673	90	3
Samadhan	Bangladesh	6,857	89	13,713	89	19
Dushtha Shasthya Kendra	Bangladesh	6,821	100	99,218	99	156
BASTOB-Initiative for People's Self-Development	Bangladesh	6,758	90	8,448	90	19
Guidance Society for Labour Orphans and Women	India	6,500	100	9,010	100	44
Dak Diye Jai	Bangladesh	6,331	99	34,074	94	19, 85
Self-Help and Rehabilitation Programme	Bangladesh	6,276	100	17,330	98	156
Gono Unnayan Prochesta	Bangladesh	6,000	95	16,195	98	19
Community Women Development Centre	Nepal	6,000	100	6,000	100	141
Anannyo Samaj Kallyan Sangostha - Pabna	Bangladesh	5,733	100	36,867	92	156
Samannita Unnayan Seba Sangathan	Bangladesh	5,505	98	7,224	98	19
Concern for Environmental Development and Research	Bangladesh	5,354	95	6,692	94	107
Palashipara Samaj Kallayan Samity	Bangladesh	5,207	98	14,878	93	19
Dhaka Ahsania Mission	Bangladesh	5,093	100	42,438	93	19
Sagarika Samaj Unnayan Sangstha	Bangladesh	5,000	90	27,757	90	19
Association for Rural Advancement in Bangladesh	Bangladesh	1,653	100	18,946	100	156

### EASTERN EUROPE and CENTRAL ASIA

Microcredit Foundation EKI	Bosnia and Herzegovina	24,497	41	41,605	41	77
Vision Fund AzerCredit LLC	Azerbaijan	10,764	40	35,880	41	28
AgroInvest	Serbia	6,115	59	33,183	59	95

### LATIN AMERICA and the CARIBBEAN

AgroAmigo - Banco do Nordeste do Brasil S/A	Brazil	652,643	47	652,643	47	64, 123
Banco de Ahorro y Crédito ADOPEM, S.A.	Dominican Republic	118,199	80	131,332	75	129,132
Consorcio de ONGs Promoción de la Mujer y la Comunidad	Peru	115,451	91	138,846	91	59
CrediAmigo - Banco do Nordeste do Brasil, S.A.	Brazil	91,863	74	737,826	66	40
Pro Mujer - Bolivia	Bolivia	87,256	93	89,362	93	33

Institution	Country	Poorest Clients as of 31 Dec. 2010	% Poorest Clients that are Women	Total Active Clients as of 31 Dec. 2010	% Total Women	Verified by
Crédito con Educación Rural	Bolivia	74,529	90	108,013	90	33
Banco de las Microfinanzas Bancamía, S.A.	Colombia	71,094	58	341,100	61	75
Banco FIE, S.A.	Bolivia	63,382	55	146,819	55	29
Plan International - Region of Americas and Caribbean	Panama	58,804	56	74,417	75	6
Fondo para el Desarrollo Social de la Ciudad de México	Mexico	50,080	71	62,800	71	60, 133
Compartamos Banco	Mexico	36,033	100	1,961,995	98	98
Banrural Grameen Microfinanzas	Guatemala	35,198	100	35,198	100	96, 138
Fundación Mundo Mujer - Popayán	Colombia	30,000	67	352,592	67	132
Fundación para el Desarrollo Integral de Programas Socioeconómicos	Guatemala	29,600	73	39,555	73	157
Fonkozé - Fondasyon Kole Zepòl	Haiti	29,370	100	50,638	99	154
Pro Mujer - Nicaragua	Nicaragua	25,701	95	28,557	96	125
Fundación Diaconia FRIF	Bolivia	22,978	75	50,856	60	33
Central Cresol Baser	Brazil	14,700	5	45,023	18	26
Unión Católica de Apoyo al Desarrollo Comunitario (UCADE)	Ecuador	14,454	76	21,263	76	18
Organización de Desarrollo Empresarial Femenino	Honduras	13,420	68	26,960	62	56
Friendship Bridge	Guatemala	13,000	100	13,000	100	91
Asociación de Familia y Medio Ambiente	Honduras	11,373	70	13,380	69	158
Fundación de Asesoría Financiera a Instituciones de Desarrollo y Servicio Social (FAFIDESS)	Guatemala	10,868	97	14,491	98	58, 134
Fundación Génesis Empresarial	Guatemala	10,127	73	130,514	70	32
Microfinanzas Arariwa	Peru	9,450	60	14,538	75	103
FUNED VisionFund OPDF	Honduras	8,527	80	14,212	54	56
Asociación Costa Rica Grameen	Costa Rica	8,187	100	10,234	100	73
World Relief Honduras	Honduras	7,500	100	12,544	80	56
Asociación Benéfica PRISMA	Peru	6,526	30	21,019	69	103
Cooperativa de Ahorro y Crédito de Santander Ltda	Colombia	6,471	54	28,872	57	62
Asociación de Mujeres en Desarrollo - MUDE	Guatemala	5,069	90	5,640	93	137
Microcrédito Para el Desarrollo	Peru	4,231	98	7,016	98	103
Fundación D-MIRO Misión Alianza	Ecuador	2,918	69	36,463	62	74

### MIDDLE EAST and NORTH AFRICA

LEAD Foundation	Egypt	169,228	91	194,392	82	168
Alexandria Business Association - Small and Micro Enterprise	Egypt	136,633	70	174,569	55	168
BRAC Microfinance Afghanistan	Afghanistan	127,749	100	155,279	82	54
Al Tadamun Microfinance Foundation	Egypt	103,658	100	103,658	100	17
enda inter-arabe	Tunisia	83,133	83	156,854	71	17
Dakahlya Businessmen's Association for Community Development	Egypt	78,433	69	105,691	54	168
Salaf Albaraka FONDEP	Morocco	45,000	42	132,419	52	63
Turkish Grameen Microcredit Project	Turkey	42,306	100	42,306	100	17
Jordan Micro Credit Company (Tamweelcom)	Jordan	39,139	90	46,046	97	17
BRAC Southern Sudan	South Sudan	18,498	100	18,498	100	45
Development and Employment Fund / Reyada	Jordan	12,188	74	25,376	59	1
Microfund for Women	Jordan	11,163	100	62,408	97	1

Institution	Country	Poorest Clients as of 31 Dec. 2010	% Poorest Clients that are Women	Total Active Clients as of 31 Dec. 2010	% Total Women	Verified by
Al Amal Microfinance Bank	Yemen	11,007	62	14,730	61	50
Middle East Microcredit Company	Jordan	10,068	66	12,703	54	167
National Microfinance Bank	Jordan	7,355	90	24,521	92	70
Lebanese Association for Development (Al-Majmoua)	Lebanon	6,500	62	23,417	44	35
Association de Microfinance Oued Srou	Morocco	3,000	90	3,000	90	94
Ameen s.a.l.	Lebanon	2,624	56	13,476	26	167
Catholic Relief Services Sudan North	Sudan	2,047	99	3,412	99	162
Catholic Relief Services Sudan South	South Sudan	705	84	1,174	84	162

### SUB-SAHARAN AFRICA

Amhara Credit and Savings Institution	Ethiopia	654,470	65	659,636	65	46
Oromia Credit & Saving Share Company	Ethiopia	458,762	30	458,762	30	2
Dedebit Credit and Saving Institution Share Company	Ethiopia	381,461	56	415,146	54	100
COWAN African Responsive Banking Micro Finance Bank	Nigeria	345,000	90	360,000	90	53
Kafo Jiginew	Mali	273,736	29	288,143	28	161
Equity Bank Ltd.	Kenya	267,161	53	510,146	53	108
Bank of Agriculture	Nigeria	195,234	25	780,936	26	51
Oxfam America in Mali	Mali	132,110	100	220,184	100	84
Farmers Development Union	Nigeria	128,646	90	157,159	89	71
BRAC Tanzania	Tanzania	116,358	100	119,116	98	86
CARE International in Uganda	Uganda	95,669	66	307,616	66	41
Social Development Fund	Gambia	94,500	70	105,000	70	139
Grooming People for Better Livelihood Centre	Nigeria	93,022	99	93,022	99	27
Sinapi Aba Trust	Ghana	83,702	92	104,628	92	57
Crédit Rural de Guinée, S. A.	Guinea	76,050	43	101,406	43	38
CARE International in Kenya	Kenya	63,948	83	137,228	83	41
CARE International in Tanzania	Tanzania	61,849	71	173,246	71	41
Malawi Union of Savings and Credit Cooperatives	Malawi	59,459	25	102,517	25	169
Centre for Grassroots Economic Empowerment	Nigeria	53,793	100	65,578	100	51
The Small Enterprise Foundation	South Africa	53,400	100	69,333	99	142
CARE International in Rwanda	Rwanda	52,072	81	91,515	81	41
PRIDE Microfinance Ltd. (Uganda)	Uganda	47,159	41	65,898	41	21
Centenary Bank	Uganda	43,000	9	121,000	9	21
Wisdom Microfinance Institution, S.C.	Ethiopia	40,647	65	46,721	65	135
Fédération des Caisses Populaires du Burkina	Burkina Faso	39,499	100	164,583	48	120
Crédit du Sahel, S.A.	Cameroon	39,000	29	42,500	44	69
Concern Universal Microfinance Operations	Malawi	37,894	82	44,845	82	36
Caisse Coopérative d'Épargne et de Crédit Mutuel	Burundi	37,675	74	43,354	74	112,132
BRAC Uganda	Uganda	37,052	100	107,708	99	21
Asha Microfinance Bank Ltd.	Nigeria	35,959	100	35,959	100	53
Wasasa Microfinance Institution, S.C.	Ethiopia	32,776	60	43,702	45	102
Catholic Relief Services Kenya	Kenya	31,629	84	52,714	84	162
CARE International in Mali	Mali	30,540	100	47,719	100	41

Institution	Country	Poorest Clients as of 31 Dec. 2010	% Poorest Clients that are Women	Total Active Clients as of 31 Dec. 2010	% Total Women	Verified by
UM-PAMECAS	Senegal	30,000	90	75,806	61	120
FUCEC - TOGO	Togo	29,815	100	77,899	64	89
Crédit Communautaire d'Afrique	Cameroon	29,230	69	63,121	62	55, 115
LAPO Microfinance Bank Ltd.	Nigeria	28,440	20	355,502	92	99
Catholic Relief Services Uganda	Uganda	25,473	70	42,455	70	162
Catholic Relief Services Tanzania	Tanzania	25,198	61	41,997	61	162
Système Financier Décentralisé ASUSU, S.A.	Niger	25,000	67	38,555	75	20, 88
Réseau des Caisses d'Épargne et de Crédit Nyèsigiso	Mali	24,131	21	24,812	43	30
A Self-Help Assistance Program, Zimbabwe	Zimbabwe	21,005	81	21,005	81	81
Plan International - Region of East and Southern Africa	Kenya	19,948	6	128,568	53	117
CARE International in Malawi	Malawi	19,321	80	36,872	80	41
CAURIE-Micro Finance	Senegal	18,967	100	41,770	99	65
Union des Clubs d'Épargne et de Crédit du Mayo-Kebbi de Pala	Chad	16,174	31	17,971	31	112
CARE International in Mozambique	Mozambique	15,469	74	28,024	74	41
Molyn Credit Ltd.	Kenya	15,000	58	20,000	55	82
ASA Ghana	Ghana	14,246	100	40,702	99	57
Micro Start - Action des Femmes pour le Développement	Burkina Faso	14,003	98	18,924	91	127
Grandissons Ensemble ASBL	Democratic Republic of Congo	13,000	70	13,000	90	109
Catholic Relief Services Rwanda	Rwanda	12,998	68	21,663	68	162
Institution de Micro finance Hekima	Democratic Republic of Congo	12,684	94	13,213	94	90
CAMEC Nationale	Mali	11,745	56	20,824	37	30
Union des Baoré Tradition d'Épargne et de Crédit	Burkina Faso	11,500	70	13,900	58	52, 152
Catholic Relief Services Benin	Benin	11,379	74	18,965	74	162
CARE International in Ethiopia	Ethiopia	10,110	70	22,874	70	41
BRAC Microfinance Ltd. Sierra Leone	Sierra Leone	8,704	100	16,837	99	25
CARE International in Sierra Leone	Sierra Leone	8,480	66	12,080	66	41
Kraban Support Foundation	Ghana	8,017	98	9,606	98	8
BRAC Liberia Microfinance Company Ltd.	Liberia	8,012	100	20,559	99	150
Catholic Relief Services Malawi	Malawi	6,478	79	10,796	79	162
Association des Caisses de Financement à la Base	Benin	6,438	96	28,905	85	159
Catholic Relief Services Ethiopia	Ethiopia	6,005	68	10,008	68	162
Réseau des Caisses Communautaires Rurales du Bénin	Benin	4,461	100	5,577	97	136
Catholic Relief Services Zimbabwe	Zimbabwe	4,104	75	6,841	75	162
Catholic Relief Services Burundi	Burundi	4,033	62	6,721	62	162
CARE International in Ghana	Ghana	4,011	75	14,072	75	41
Catholic Relief Services Ghana	Ghana	3,938	86	6,563	86	162
Catholic Relief Services Mali	Mali	3,550	91	5,916	91	162
Catholic Relief Services Burkina Faso	Burkina Faso	3,429	80	5,715	80	162
CARE International in Lesotho	Lesotho	3,222	83	5,722	83	41
Catholic Relief Services Senegal	Senegal	2,940	80	4,900	80	162
OMAKONSULTS Microfinance Institution	Nigeria	2,800	100	3,586	98	150
Aidez Small Project International	Ghana	2,770	3	3,864	97	10

<b>Institution</b>	<b>Country</b>	<b>Poorest Clients as of 31 Dec. 2010</b>	<b>% Poorest Clients that are Women</b>	<b>Total Active Clients as of 31 Dec. 2010</b>	<b>% Total Women</b>	<b>Verified by</b>
Imo Self Help Organization	Nigeria	2,500	95	3,500	95	118
Catholic Relief Services Cameroon	Cameroon	2,037	79	3,395	79	162
Catholic Relief Services Democratic Republic of Congo	Democratic Republic of Congo	1,945	73	3,241	73	162
Catholic Relief Services Sierra Leone	Sierra Leone	1,592	63	2,654	63	162
CARE International in Madagascar	Madagascar	768	54	1,118	54	41
Catholic Relief Services Madagascar	Madagascar	541	55	902	55	162
Catholic Relief Services Lesotho	Lesotho	521	76	868	76	162
Catholic Relief Services Nigeria	Nigeria	437	81	728	81	162
Catholic Relief Services Zambia	Zambia	357	85	595	85	162
Catholic Relief Services Central African Republic	Central African Republic	354	79	590	75	162
CARE International in Liberia	Liberia	353	81	441	81	41
Catholic Relief Services Liberia	Liberia	280	55	467	55	162
Catholic Relief Services Niger	Niger	153	54	254	54	162
Catholic Relief Services Eritrea	Eritrea	46	100	76	100	162

## Appendix II: List of Verifiers

Number	Name of Verifier	Institution	Country
1	Abdel-Baki, Ranya	Sanabel – The Microfinance Network for the Arab Countries	Egypt
2	Abdula, Kelifa	Self Help Africa	Ethiopia
3	Ahmed, Syed Mohsin	Pakistan Microfinance Network (PMN)	Pakistan
4	Ali, Zulfiquar	Bangladesh Institute of Development Studies (BIDS)	Bangladesh
5	Alok, Deepak	M2i Consulting	India
6	Alvarez, Leonardo	Plan International - Region of Americas and Caribbean	Thailand
7	Amata, Gondelina	National Livelihood Development Corporation	Philippines
8	Amoa-Bosompem, Magnus	ASSFIN	Ghana
9	Anandkumar, T.S.	ICICI Bank	India
10	Andah, David O.	Ghana Microfinance Institutions Network (GHAMFIN)	Ghana
11	Andriess, Gauke	Cordaid	Netherlands
12	Annadanam, Veena Yamini	MicroSave	India
13	Anthony, Emil	Consultant	Sri Lanka
14	Aquino Jr., Carlos H.	Microfinance Council of the Philippines, Inc. (MCPI)	Philippines
15	Arbab, Amjad	Shore Bank International	Pakistan
16	Ashfaq, Yasir	Pakistan Poverty Alleviation Fund (PPAF)	Pakistan
17	Assaad, Julia	Grameen-Jameel Pan-Arab Microfinance Ltd.	United Arab Emirates
18	Auerbach, Paula	Banco Interamericano de Desarrollo (BID)	Ecuador
19	Awal, Md. Abdul	Credit and Development Forum (CDF)	Bangladesh
20	Ba, Aminata	Agence de Régulation du Secteur de la Micro Finance	Niger
21	Baguma, David	Association of Microfinance Institutions of Uganda (AMFIU)	Uganda
22	Banerjee, Tarun	ACCESS Development Services	India
23	Bhandari, Aditya	Incofin Investment Management	India
24	Bhattarai, Sangya	Nepal Investment Bank Ltd.	Nepal
25	Bin Seraj, Faisal	BRAC West Africa Programme - Research and Evaluation Unit	Sierra Leone
26	Bittencourt, Gilson Alceu	Secretaria de Política Econômica, Ministério da Fazenda	Brazil
27	Bouan, Maxime	Blue Orchard Finance	Switzerland
28	Brown, Chris	CB Consulting	Azerbaijan
29	Calle, Dalila	Microfinanza Rating	Ecuador
30	Camara, Ibrahim	APIM-Mali	Mali
31	Cameron, Derek	Canadian Co-operative Association	Canada
32	Caneke Pinelo, Maritza	Fondo de Desarrollo Local para Guatemala - Cooperación Sueca ASDI	Guatemala
33	Castro, Nestor	Asociación de Instituciones Financieras para el Desarrollo Rural (FINRURAL)	Bolivia
34	Chegu, Rajiv	Michael & Susan Dell Foundation	India
35	Chehade, Nadine	Planet Rating	France
36	Chilumpha, Fletcher	Financial Inclusion in Malawi (FIMA) Project	Malawi
37	Chowdury, Hossain	Grameen Trust	Bangladesh
38	Condé, Kémo	Banque Centrale	Guinea
39	Connor, Erin	Grameen Foundation	USA
40	Cortes Neri, Marcelo	Fundação Getúlio Vargas	Brazil
41	Coulibaly, Abdoul Karim	Access Africa - CARE USA	Tanzania
42	Dam, Tran Van	Vietnam Bank for Agriculture and Rural Development	Vietnam
43	Daniels, Mark	Opportunity International Australia	Australia
44	Das, Vijayalakshmi	Ananya Finance for Inclusive Growth Pvt. Ltd.	India

Number	Name of Verifier	Institution	Country
45	Data, Charles	Southern Sudan Microfinance Development Facility	Germany
46	Dean, Debra	Grameen Foundation	USA
47	Diokno-Villaviray, Aurora Luz	Department of Finance	Philippines
48	D'souza, Judith	IFAD	India
49	Du, Xiaoshan	Rural Development Intuition	People's Republic of China
50	Dueb, Nasser	AGFUND	Saudi Arabia
51	Ehigiamusoe, Godwin	LAPO Microfinance Bank Ltd.	Nigeria
52	Ehlinger, Aude	SOS Faim	Luxembourg
53	Fabamwo, Olufemi	Central Bank of Nigeria	Nigeria
54	Fakiri, Katrin	Microfinance Investment Support Facility for Afghanistan (MISFA)	Afghanistan
55	Fanche, William	Afriexchange	Cameroon
56	Flores, Indiana	Red de Microfinancieras de Honduras (REDMICROH)	Honduras
57	Fosu Quaye, Clara	Ghana Microfinance Institutions Network (GHAMFIN)	Ghana
58	Galo Vanegas, Yoselin	REDCAMIF	Nicaragua
59	García Bedregal, Luis	Freedom from Hunger	Peru
60	Garrido Noguera, Celso	Universidad Autónoma Metropolitana Azcapotzalco	Mexico
61	Generoso, Edgar	People's Credit and Finance Corporation (PCFC)	Philippines
62	Gómez, Wilson	AECOM Internacional	Colombia
63	Grine, Abderrahim	KPMG	Morocco
64	Guadagnin, João Luiz	Ministério do Desenvolvimento Agrário	Brazil
65	Gueye, Absa	APSPD Sénégal	Senegal
66	Gupta, Bhawani Shankar	Support Dvc Colony, Hazaribag Jharkhand	India
67	Gupta, Sanjay	SIDBI	India
68	Halemane, Nanda	Prasthuthi	India
69	Hamadou, Ibrahima	Fonds Provincial de Refinancement	Cameroon
70	Hamdan, Marwan	Delta Informatics	Jordan
71	Hansen, Katja	Evangelischer Entwicklungsdienst (EED)	Germany
72	He, Guangwen	Center for Rural Finance & Investment Research, China Agriculture University	People's Republic of China
73	Hernández, Carlos	Oikocredit	Costa Rica
74	Herrera, Jessica	Red Financiera Rural	Ecuador
75	Higuera, Claudio	Emprender y Presidente Asomicrofinanzas	Colombia
76	Hung, Dao Van	Policy and Development Institute	Vietnam
77	Ibrahimpasic, Maja	USAID-Sida FIRMA Project	Bosnia and Herzegovina
78	Ismawan, Bambang	Yayasan Bina Swadaya	Indonesia
79	Jain, Jayesh	Grameen Foundation	India
80	Jain, Vinod	Trust Consulting, Lucknow	India
81	Kakono, Tafirenyika	CARE International	Zimbabwe
82	Karanja, Carol	Association of Microfinance Institutions (AMFI) Kenya	Kenya
83	Karki, Sanjay	Mercy Corps Nepal	Nepal
84	Karlan, Dean	Innovations in Poverty Action at Yale University	USA
85	Kashem, Md. Abdul	Palli Karma-Sahayak Foundation (PSKF)	Bangladesh
86	Kewe, Sosthenes	Financial Sector Deepening Trust	Tanzania
87	Khan, Ather Azim	University of Central Punjab	Pakistan
88	Kiepin Toyé, Amina	Association Professionnelle des Systèmes Financiers Décentralisés du Niger (AP/SFD Niger)	Niger

Number	Name of Verifier	Institution	Country
89	Kpizing, Esodong H.	Ministère de l'Economie et des Finances, Cellule d'Appui et de Suivi des Institutions Mutualistes ou Coopératives d'Épargne et de Crédit	Togo
90	Kreger, Michelle	Kiva	USA
91	Kuhn Fraioli, Lisa	Freedom from Hunger	USA
92	Kumar, N. Manmath	Vijaya Bank	India
93	Kurera, Niroshan	Etimos Lanka Pvt. Ltd.	Sri Lanka
94	Lamrini, Rida	INMAA	Morocco
95	Landmann, Lucretia	Symbiotics Research & Advisory S.A.	Switzerland
96	Latifee, Huzzat I.	Grameen Trust	Bangladesh
97	Lwin, U Aye	UNDP	Myanmar
98	Martínez Rojas Rustrían, Jesús A.	McBride Corp.	Mexico
99	Marx, Michael	Food and Agriculture Organization (FAO)	Italy
100	Mees, Marc	SOS Faim	Luxembourg
101	Mehta, Anjali	Indian School of Microfinance for Women	India
102	Mensink, Mariel	Terrafina Microfinance	Netherlands
103	Meza, Jorge	COPEME	Peru
104	Mogilshetty, Shilpa	Consultant	India
105	Mohan, Brij	ACCESS Development Services	India
106	Moris, A. John	M/S A. John Moris & Co., Chartered Accountants	India
107	Mridha, Md. Abdul Hye	Institute of Microfinance	Bangladesh
108	Mugwang'a, Trevor	MicroSave	Kenya
109	Mukalayi, Toussaint	CRONGD - KINSHASA	Democratic Republic of Congo
110	Nabi, Md. Atiqun	INAFI Asia and Bangladesh	Bangladesh
111	Nath, Bhabatosh	Responsive to Integrated Development Services (RIDS)	Bangladesh
112	Ndayishimiye, Cyprien	Réseau des Institutions de Microfinance (RIM) Burundi	Burundi
113	Ngamine, Jean	Caritas Suisse	Chad
114	Nguyen, Nhien	Center for International Cooperation	Vietnam
115	Niebou, Achille Aimé	Cabinet A. NIEBOU	Cameroon
116	Nilesh, Arya	Sa-Dhan	India
117	Norgah, Samuel	Plan International - Region of East and Southern Africa	Kenya
118	Ochekwu, Amedu Andrew	Centre for Microenterprise Development	Nigeria
119	Ohri, Chandni	Grameen Foundation	India
120	Ouédraogo, Alpha	Confédération des Institutions Financières (CIF)	Burkina Faso
121	Padmakumar, K.P.	NABARD Malappuram	India
122	Paramasivaiah, N.T.	Navachetana Microfin Services Pvt. Ltd.	India
123	Peraci, Adoniram Sanches	Food and Agriculture Organization (FAO)	Brazil
124	Perumal, Sai B.	mFinstreet	India
125	Puglielli, Laura	Global Partnerships	USA
126	Purnama, Frans	Indonesian Microfinance Association	Indonesia
127	Raginel, Laetitia	Entrepreneurs du Monde	Burkina Faso
128	Rahman, Hossain Zillur	Power and Participation Research Centre	Bangladesh
129	Ramos, Kenia	Fundacion Codespa	Dominican Republic
130	Rao, D.S.K.	Microcredit Summit Campaign	India
131	Roy, Michael A.	Local Government Engineering Department	Bangladesh
132	Ruf, Rebecca	Women's World Banking	USA



Number	Name of Verifier	Institution	Country
133	Ruiz, Clemente	Universidad Nacional Autónoma de México	Mexico
134	Ruiz, Daniel	REDIMIF	Guatemala
135	Ryan, Johanna	VisionFund International	United Kingdom
136	Salifou, Moussa	Axes de Développement Consulting (AD Consulting)	Benin
137	Sánchez, Raúl	Red Katalysis	Honduras
138	Sansone, Philip	Whole Planet Foundation	USA
139	Senghor, Bai	Central Bank of The Gambia	The Gambia
140	Sharma, Abhijit	Indian Institution of Bank Management	India
141	Shrestha, Shankar Man	Rural Microfinance Development Center Ltd. (RMDC)	Nepal
142	Simanowitz, Anton	Institute of Development Studies	United Kingdom
143	Singh, Saneesh	Dia Vikas Pvt. Ltd	India
144	Singh, Sarjeet	Support for Sustainable Society	India
145	Srinivas, T. Balaji	Lakshmi Vilas Bank	India
146	Stack, Kathleen	Freedom from Hunger	USA
147	Stanley, Francis Joseph	Skills for Progress (SKIP)	India
148	Sumarta, Harya	Gema PKM Indonesia	Indonesia
149	Sundar, Paul	Habitat for Humanity India Trust	India
150	Taiwo, Kehinde	Obafemi Awolowo University, Ileife	Nigeria
151	Tamba II, Kollie S.	Central Bank of Liberia	Liberia
152	Tassebedo, Moussa	Lessokon	Burkina Faso
153	Thy, Yuthear	Amret Microfinance Institution	Cambodia
154	Toohig, Jeff	Grameen Foundation	USA
155	Torres, Olga	Agora Microfinance Partners LLP	United Kingdom
156	Touhid, Gulam	Palli Karma-Sahayak Foundation (PSKF)	Bangladesh
157	Turiel, Daniel	ACTEC	Belgium
158	Valenzuela, Cesar	Espiratica Research & Consulting	Honduras
159	Van de Voorde, Herman	BØRNEfonden Bénin	Benin
160	Van Middelkoop, M.B.	Woord en Daad	Netherlands
161	Vandeweerd, Luc	ADA Luxembourg	Luxembourg
162	Vanmeenen, Guy	Catholic Relief Services	Kenya
163	Venkatanarayana, G. R.	G.R. Venkatanarayana Chartered Accountants	India
164	Villiagas, Socrates	Catholic Church	Philippines
165	Vineethkumar, V. S.	Law Quarters	India
166	Xiao, Rong	Give2Asia	People's Republic of China
167	Zain, Shaimaa	Sanabel - The Microfinance Network of Arab Countries	Egypt
168	Zayat, Rizkallah	USAID Cairo	Egypt
169	Zulu, Mathews	Swedish Cooperative Center	Malawi

# Appendix III: Institutions and Individuals that Submitted an Action Plan in 2011

## Council of Advocates

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Convergences 2015, France  
Country Women Association of Nigeria (COWAN)  
Imp-Act Consortium, United Kingdom  
Institute for International Urban Development, United States  
International Association for Community Development, United Kingdom  
World Microfinance Forum-Geneva, Switzerland  
World Savings Banks Institute (WSBI), Belgium

## Council of Banks and Commercial Finance Institutions

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BancoEstado Microempresas, S.A., Chile  
SNS Impact Investing, the Netherlands

## Council of Corporations

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Responsive to Integrated Development Service (RIDS), Bangladesh

## Council of Domestic Government Agencies

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National Poverty Eradication Programme, Nigeria

## Council of Educational Institutions

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10thousandgirl Campaign, Australia  
Centre de Formation en Management et Développement Organisationnel,  
Democratic Republic of Congo  
G3 Microfinanzas, Bolivia  
Graduate College of Aviation, Sierra Leone  
International University of Business Agriculture and Technology (IUBAT),  
Bangladesh  
Máster en Microcréditos para el Desarrollo-Universidad Autónoma de Madrid,  
Spain  
Point Loma Nazarene University's Microfinance Club, United States  
Southern Illinois University, School of Social Work, United States  
Yunus Centre for Social Business and Health, United Kingdom

## Council of Foundations and Philanthropists

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1to4 Foundation, Switzerland  
Citi Foundation, United States  
Fondation Sen'Finances, Senegal  
Fundación FIDESMA, Guatemala  
Grameen Crédit Agricole Microfinance Foundation, Luxembourg  
Kamayo Mindanao Foundation, Inc., Philippines  
Mulchand and Parpati Thadhani Foundation, United States

## Council of Individual Supporters

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Patrick Yankey, Ghana  
Allison Barber, United States  
Joanne Sow Hup Chan, People's Republic of China  
Marta García Mandaloniz, Northern Mariana Islands  
Sheila McLeod Arnopoulos, Canada  
Francoise Clementi, Spain

## Council of International Financial Institutions

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Arab Gulf Programme for Development (AGFUND), Saudi Arabia  
Banco Centroamericano de Integración Económica, Honduras  
International Finance Corporation (IFC), United States

## Council of Non-Governmental Organizations (NGOs)

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Abundant Life Mission, Uganda  
Action Solidaire Pour le Développement Communautaire, Burundi  
Asamblea de Cooperación por la Paz, Spain  
ASEFED, Cameroon  
Banlieues du Monde Mauritanie, Mauritania  
Family Resources Development Motivators, Nigeria  
Forum des Anciens Combattants par la Lutte Contre le SIDA, Amélioration de la  
Santé et de l'Éducation, Burundi  
Fresh Mercy Ministries, India  
Friends of Farming Association, Uganda  
Fundación Ayuda en Acción, Spain  
Fundación Habitáfrica, Spain  
Fundación Iberoamericana para el Desarrollo, Spain  
Habari Multipurpose Cooperative Society Ltd., Kenya  
Janamangal Sanskrutik Anusthan, India  
Khoson Credit Union, Ukraine  
Liberia Initiative for Community Empowerment Inc.  
Livelihood NGO, Cameroon  
Microfinance Information Exchange (MIX), United States  
New Age Spirit International, Nigeria  
Rural Technology and Management Khadi & Village Industries Samiti, India  
SOTERMUN, Spain  
Tostan, Senegal  
Visión para el Desarrollo, Peru  
Women Emancipation and Empowering Group, Ghana  
Young Stars Cultural Troupe of Nigeria

## Council of Practitioners

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A Self-Help Assistance Program (ASAP) Malawi  
A Self-Help Assistance Program (ASAP) Zimbabwe  
Aakay Ang Milamdec Microfinance Foundation, Inc., Philippines  
ACCESS Development Services, India  
Ad Jesum Development Foundation, Inc., Philippines  
Ad-din Welfare Centre-Jessore, Bangladesh  
Addis Credit and Saving Institution, Ethiopia  
Adelante Foundation, Honduras  
Adhikar, India  
AGRAGATI, Bangladesh  
Agricultural Science Foundation, India  
AgroAmigo—Banco do Nordeste do Brasil S/A, Brazil  
Agrolinvest, Serbia  
Aidez Small Project International, Ghana  
Akhawat, Pakistan  
Al Amal Microfinance Bank, Yemen  
Al Amana Microfinance, Morocco  
Al Tadamun Microfinance Foundation, Egypt  
Alalay Sa Kaunlaran Sa Gitnang Luzon, Inc., Philippines  
Albanian Savings and Credit Union, Albania  
Alexandria Business Association-Small and Micro Enterprise, Egypt  
Al-Falah Aam Unnayan Sangstha, Bangladesh  
Alliance de Crédit et d'Épargne Pour la Production, Senegal  
Association for Micro-Entreprise Development (AIAMED), India  
Alternative Development Initiative, Bangladesh  
Amanah Ikhtiar Malaysia  
Ameen s.a.l., Lebanon  
Amhara Credit and Savings Institution, Ethiopia  
Anannyo Samaj Kallyan Sangostha-Pabna, Bangladesh

**Council of Practitioners, continued**

- Ananya Finance for Inclusive Growth Pvt. Ltd., India  
 Angkor Mikroheranhvatho (Kampuchea) Co., Ltd., Cambodia  
 Annesha Foundation, Bangladesh  
 Ansar–VDP Unnayan Bank, Bangladesh  
 Apoyo Económico Familiar, S.A. de C.V., Mexico  
 Arohan Financial Services Pvt. Ltd., India  
 ASA Afghanistan Ltd.  
 ASA Bangladesh  
 ASA Ghana  
 ASA Initiative, Ghana  
 ASA International, Bangladesh  
 ASA International India Microfinance Pvt. Ltd., India  
 ASA Pakistan, Ltd.  
 ASA Philippines Foundation, Inc., Philippines  
 Asha Microfinance Bank Ltd., Nigeria  
 ASHRAI, Bangladesh  
 Asmitha Microfin Ltd., India  
 Asociación Alternativa para el Desarrollo Integral de las Mujeres, Nicaragua  
 Asociación Benéfica PRISMA, Peru  
 Asociación Costa Rica Grameen, Costa Rica  
 Asociación de Familia y Medio Ambiente, Honduras  
 Asociación de Instituciones Financieras para el Desarrollo Rural (FINRURAL), Bolivia  
 Asociación de Mujeres en Desarrollo (MUDE), Guatemala  
 Asociación Fondo de Desarrollo Regional, Peru  
 Asociación NEC RED Rural Sondondo, Peru  
 Asociación Nicaragüense de Instituciones de Microfinanzas, Nicaragua  
 Asociación para el Desarrollo Integral Comunitario de Honduras  
 Asociación para el Desarrollo Integral Rural, Guatemala  
 Asociación Para Inversión y Empleo (ASPIRE), Dominican Republic  
 Asociación Salvadoreña de Extensionistas Empresariales del INCAE, El Salvador  
 Asomi Finance Private Ltd., India  
 ASPADA Paribesh Unnayan Foundation, Bangladesh  
 Assistance for Social Organization and Development, Bangladesh  
 Association de Microfinance Oued Srou, Morocco  
 Association d'Entraide Professionnelle, Lebanon  
 Association des Caisses de Financement à la Base, Benin  
 Association for Realisation of Basic Needs, Bangladesh  
 Association for Rural Advancement in Bangladesh  
 Association Nationale des Institutions de Microfinance d'Haïti  
 Association of Asian Confederation of Credit Unions (ACCU), Thailand  
 Association of Cambodian Local Economic Development Agencies (ACLEDA) Bank Ltd., Cambodia  
 Association of Development for Economic and Social Help, Bangladesh  
 Association of Microfinance Institutions of Uganda (AMFIU)  
 Association of Productive Entrepreneurship, Ghana  
 Association pour le Droit à l'Initiative Économique (ADIE), France  
 Association Professionnelle des Institutions de Microfinance (APIM) au Burkina Faso  
 Association Professionnelle des Institutions de Microfinance (APIM) du Mali  
 ATMABISWAS, Bangladesh  
 Bank Tabungan Pensiunan Nasional Sharia, Indonesia  
 Banco de Ahorro y Crédito ADOPEM, S.A., Dominican Republic  
 Banco de las Microfinanzas Bancamía S.A., Colombia  
 Banco FIE, S.A., Bolivia  
 Banco FINCA, Ecuador  
 Banco Solidario, S.A., Ecuador  
 Bandhan Financial Services (Pvt.) Ltd., India  
 Bandhu Kallyan Foundation, Bangladesh  
 Bangladesh Association for Social Advancement  
 Bangladesh Development Society  
 Bangladesh Environment Development Organisation  
 Bangladesh Extension Education Services  
 Bangladesh Krishi Bank  
 Bangladesh Rural Integrated Development for Grub-Street Economy (BRIDGE)  
 Bangladesh Rural Development Board (BRDB)  
 Bank of Agriculture, Nigeria  
 Banque de l'Union Haïtienne, S. A.—Krédi Popilè, Haiti  
 Banque Tunisienne de Solidarité, Tunisia  
 Banrural Grameen Microfinanzas, Guatemala  
 BASTOB—Initiative for People's Self-Development, Bangladesh  
 Beselidhja—Zavet Micro Finance, Kosovo  
 Bina Swadaya, Indonesia  
 BRAC Bangladesh  
 BRAC Liberia Microfinance Company Ltd., Liberia  
 BRAC Microfinance Afghanistan  
 BRAC Microfinance Ltd. Sierra Leone  
 BRAC Pakistan  
 BRAC Southern Sudan  
 BRAC Sri Lanka  
 BRAC Tanzania  
 BRAC Uganda  
 BSS Microfinance (Pvt.) Ltd., India  
 BURO Bangladesh  
 BWDA Finance Ltd., India  
 Caisse Coopérative d'Épargne et de Crédit Mutuel, Burundi  
 Caisse d'Action Mutuelle d'Épargne et de Crédit, Democratic Republic of Congo  
 Caja de Compensación Familiar de Antioquia, Colombia  
 Caja de Crédito de Acajutla, El Salvador  
 Caja de Crédito de Jocoro S.C. de R.L. de C.V., El Salvador  
 Caja de Crédito de San Martín, El Salvador  
 Caja de Crédito de Santiago Nonualco, El Salvador  
 Caja de Crédito de Usulután S.C. de R.L. de C.V., El Salvador  
 Caja de Crédito de Zacatecoluca, El Salvador  
 Caja Municipal de Ahorro y Crédito de Arequipa, Peru  
 Caja Municipal de Ahorro y Crédito de Huancayo, Peru  
 Caja Municipal de Ahorro y Crédito de Ica, Peru  
 Caja Municipal de Ahorro y Crédito de Maynas, Peru  
 Caja Municipal de Ahorro y Crédito de Sullana, Peru  
 Caja Municipal de Ahorro y Crédito de Tacna S.A., Peru  
 CAMEC Nationale, Mali  
 Capital Aid Fund for Employment of the Poor (CEP) - Ho Chi Minh City, Vietnam  
 CARD MRI, Philippines  
 CARE International in Ethiopia  
 CARE International in Ghana  
 CARE International in Kenya  
 CARE International in Lesotho  
 CARE International in Liberia  
 CARE International in Madagascar  
 CARE International in Malawi  
 CARE International in Mali  
 CARE International in Mozambique  
 CARE International in Rwanda  
 CARE International in Sierra Leone  
 CARE International in Tanzania  
 CARE International in Uganda  
 Caritas Bangladesh  
 CASHPOR Micro Credit, India  
 Catholic Relief Services, United States  
 Catholic Relief Services Benin  
 Catholic Relief Services Burkina Faso  
 Catholic Relief Services Burundi  
 Catholic Relief Services Cameroon

**Council of Practitioners, continued**

- Catholic Relief Services Central African Republic  
 Catholic Relief Services Democratic Republic of Congo  
 Catholic Relief Services Eritrea  
 Catholic Relief Services Ethiopia  
 Catholic Relief Services Ghana  
 Catholic Relief Services Kenya  
 Catholic Relief Services Lesotho  
 Catholic Relief Services Liberia  
 Catholic Relief Services Madagascar  
 Catholic Relief Services Malawi  
 Catholic Relief Services Mali  
 Catholic Relief Services Niger  
 Catholic Relief Services Nigeria  
 Catholic Relief Services Rwanda  
 Catholic Relief Services Senegal  
 Catholic Relief Services Sierra Leone  
 Catholic Relief Services Sudan  
 Catholic Relief Services South Sudan  
 Catholic Relief Services Tanzania  
 Catholic Relief Services Uganda  
 Catholic Relief Services Zambia  
 Catholic Relief Services Zimbabwe  
 CAURIE-Micro Finance, Senegal  
 Cauvery Kalpatharu Grameen Bank, India  
 Centenary Bank, Uganda  
 Central Cresol Baser, Brazil  
 Central People's Credit Fund of Vietnam  
 Centre for Action Research-Barind, Bangladesh  
 Centre for Advanced Research and Social Action, Bangladesh  
 Centre for Development Innovation and Practices, Bangladesh  
 Centre for Grassroots Economic Empowerment, Nigeria  
 Centre for Mass Education in Science, Bangladesh  
 Centre for Micro-Finance, Nepal  
 Centre for Rehabilitation Education and Earning Development (CREED), Bangladesh  
 Centre for Self-Help Development, Nepal  
 Centro de Apoyo al Microempresario, I.A.P., Mexico  
 CF FINAMERICA, S.A., Colombia  
 CF Lanka Microfinance, Sri Lanka  
 CHF (ACSI)-Iraq  
 CHF International, United States  
 CHF International ACSI, Lebanon  
 Chhimek Bikas Bank Ltd., Nepal  
 Chifeng Zhaowuda Women's Sustainable Development Association, People's Republic of China  
 ChildFund Afghanistan Microfinance  
 ChildFund India  
 China Foundation for Poverty Alleviation, People's Republic of China  
 Christian Service Society, Bangladesh  
 Coastal Association for Social Transformation (COAST) Trust, Bangladesh  
 Coastal People's Development Association, India  
 Community Development Society, India  
 Community Economic Ventures, Inc., Philippines  
 Community Finance Resource Center (CFRC), Vietnam  
 Community Services Trust, India  
 Community Support Concern, Pakistan  
 Community Women Development Centre, Nepal  
 Compartamos Banco, Mexico  
 Concern for Environmental Development and Research (CEDAR), Bangladesh  
 Concern Universal Microfinance Operations, Malawi  
 Consorcio de ONGs Promoción de la Mujer y la Comunidad (PROMUC), Peru  
 Consorcio de Organizaciones Privadas de Promoción a la Pequeña y Microempresa (COPEME) de Perú  
 Cooperativa de Ahorro y Crédito de Santander Ltda., Colombia  
 Cooperativa de Ahorro y Crédito Fernando Daquilema Ltda., Ecuador  
 Cooperativa de Ahorro y Crédito Mujeres Unidas (CACMU), Ltda., Tantanakushka Warmikunapak, Ecuador  
 Cooperativa de Ahorro y Crédito UCADE—Padre Vicente Ponce Rubio, Ecuador  
 Cooperativa Multiactiva de Aporte y Crédito para el Desarrollo del Autoempleo, Colombia  
 Coopérative d'Épargne et de Crédit Bolingo, Republic of Congo  
 Coopérative d'Épargne et de Crédit pour des Chrétiens Unis, Democratic Republic of Congo  
 Coopérative d'Épargne et de Crédit Pour le Développement Kasai Occidental, Democratic Republic of Congo  
 Coopérative d'Épargne et de Crédit (COOPEC) – TUMAINI, Democratic Republic of Congo  
 Corporación Acción por el Tolima—Actuar Famiempresas, Colombia  
 Corporación CORPROEM, Colombia  
 Corporación Viviendas Hogar de Cristo, Ecuador  
 Council for Socio Economic Benevolent Action, India  
 COWAN African Responsive Banking Micro Finance Bank, Nigeria  
 CrediAmigo—Banco do Nordeste do Brasil S.A., Brazil  
 CREDIFE Desarrollo Micro Empresarial—Banco Pichincha, Ecuador  
 Crédit Communautaire d'Afrique, Cameroon  
 Crédit du Sahel S.A., Cameroon  
 Credit MFI, Cambodia  
 Crédit Rural de Guinée S.A., Guinea  
 Crédito con Educación Rural, Bolivia  
 Dak Diye Jai, Bangladesh  
 Dakahlya Businessmen's Association for Community Development, Egypt  
 Dedebit Credit and Saving Institution Share Company (DECSI), Ethiopia  
 DevA Access and Empowerment International Ltd./Gtee., Nigeria  
 Development Action for Mobilization and Emancipation (DAMEN), Pakistan  
 Development and Employment Fund—Reyada, Jordan  
 Development Association for Rural Peoples, Bangladesh  
 Development Initiative for Social Advancement, Bangladesh  
 Development Organisation of the Rural Poor, Bangladesh  
 Development Project Service Centre, Nepal  
 Development Promotion Group, India  
 Development Support Team, India  
 Développement international Desjardins, Canada  
 Dhaka Ahsania Mission, Bangladesh  
 Dian Bhuan Lestari Foundation, Indonesia  
 Dunduliza, Tanzania  
 Dushtha Shasthya Kendra, Bangladesh  
 DWIP Unnayan Sangstha, Bangladesh  
 EB-ACCION Microfinance S.A., Cameroon  
 EC Bangladesh  
 Eco-Social Development Organisation, Bangladesh  
 Edpyme Proempresa S.A., Peru  
 Edpyme Raíz, Peru  
 Edpyme Solidaridad y Desarrollo Empresarial S.A.C., Peru  
 enda inter-arabe, Tunisia  
 Ensure Development Activities for Vulnerable Underprivileged Rural People (ENDEAVOUR), Bangladesh  
 Enterprise Bank Inc., Philippines  
 Environment Council Bangladesh, Bangladesh  
 Equipe Pastorale auprès des Enfants en Détresse, Democratic Republic of Congo  
 Equipo de Educación y Autogestión Social, Peru  
 Equitas Micro Finance India Private Ltd., India  
 Equity Bank Ltd., Kenya  
 ESAF Micro Finance and Investments (Pvt.) Ltd., India

**Council of Practitioners, continued**

Esperanza Internacional, Dominican Republic	GHASHFUL, Bangladesh
European Microfinance Network, France	Global Bahumukhi Sahakari Sanstha (Global Multiple Cooperative Organization) Ltd., Nepal
Express Finance IFN S.A., Romania	Gono Kallayan Trust, Bangladesh
Faïtière des Unités Coopératives d'Épargne et de Crédit du Togo (FUCEC-TOGO)	Gono Unnayan Prochesta, Bangladesh
Farmers Development Union, Nigeria	GP Finance, Cameroon
Fédération Peruana de Cajas Municipales de Ahorro y Crédito, Peru	Gram Unnayan Karma, Bangladesh
Fédération des Caisses Populaires du Burkina (FCPB), Burkina Faso	Gram Utthan, India
Fédération des ONG du Sénégal	Gram Vidiyal Micro Finance Ltd., India
Fédération Nationale des COOPEC du Burundi	Grameen Bank, Bangladesh
Financiera Confianza, Peru	Grameen Development Services, India
Financiera FAMA, Nicaragua	Grameen Financial Services Pvt. Ltd., India
Financiera Mexicana para el Desarrollo Rural, Mexico	Grameen Foundation, United States
FINCA Afghanistan	Grameen Jano Unnayan Sangstha, Bangladesh
FINCA Azerbaijan	Grameen Manobik Unnayan Sangstha, Bangladesh
FINCA Guatemala	Grameen Trust, Bangladesh
FINCA Haiti	Grandissons Ensemble ASBL, Democratic Republic of Congo
FINCA Jordan	Grassroots Health Organization of Nigeria
FINCA México A.C.	Grooming People for Better Livelihood Centre, Nigeria
FINCA Perú	Growing Opportunity Finance Pvt. Ltd., India
FINENZA, Spain	Guidance Society for Labour Orphans and Women (GLOW), India
Five Talents UK, United Kingdom	Habiganj Unnayan Sangstha, Bangladesh
Fondation Banque Populaire pour le Micro Crédit (FBPMC), Morocco	Hagdan Sa Pag-Uswag Foundation Inc., Philippines
Fondo de Desarrollo Microempresarial, Ecuador	Halley Movement, Mauritius
Fondo para el Desarrollo Social de la Ciudad de México	Harmos Micro Enterprise Development Ltd.—Vision Fund Zambia
Fonds d'Actions Mutuelles, Republic of Congo	HEED Bangladesh
Fonds d'Appui aux Activités Rémunératrices des Femmes, Burkina Faso	Heifer Project International China
Fonkozé—Fondasyon Kole Zepòl, Haiti	HFC Boafu Microfinance Services Ltd., Ghana
Fortune Grassroots Development Initiative MFI, Nigeria	Hilful Fuzul Samaj Kallyan Sangstha, Bangladesh
Forum for Rural Women Ardency Development (FORWARD), Nepal	Holy Cross Social Service Centre, India
Foundation for a Sustainable Society Inc., Philippines	HOPE, Bangladesh
Foundation for Women, United States	HOPE Foundation, India
Foundation for Women Liberia	ID Microfinance, Haiti
Freedom from Hunger, United States	IMF Créa-Sol, France
Friends for Community Development and Youth Empowerment, Nigeria	Imo Self Help Organization, Nigeria
Friendship Bridge, United States	Institution de Microfinance Hekima, Democratic Republic of Congo
Friendship Bridge, Guatemala	Institution Marocaine d'Appui à la Microentreprise, Morocco
Fund for the Encouragement of Self-Reliance, Vietnam	Instituto de Investigaciones Socio-Económicas y Tecnológicas, Ecuador
Fundación Agrocapital, Bolivia	Instituto Hondureño de Estudio y Desarrollo Integral de la Comunidad, Honduras
Fundación BanIgualdad, Chile	Integrated Development Foundation, Bangladesh
Fundación de Asesoría Financiera a Instituciones de Desarrollo y Servicio Social (FAFIDESS), Guatemala	INAFI International, Senegal
Fundación de Asistencia para la Pequeña Empresa, Guatemala	Islami Bank Bangladesh Ltd., Bangladesh
Fundación de Investigaciones Visuales Franco Mattiello, Argentina	Jagorani Chakra Foundation, Bangladesh
Fundación Diaconía—FRIF, Bolivia	Jana Utthan Samudayic Bank Ltd., Nepal
Fundación D-MIRO Misión Alianza, Ecuador	Janodaya Trust, India
Fundación ECOPETROL para el Desarrollo Del Magdalena Medio, Colombia	Jeevan Bikas Samaj, Nepal
Fundación Génesis Empresarial, Guatemala	Jeevankiran, India
Fundación Integral Campesina, Costa Rica	Jinnah Welfare Society, Pakistan
Fundación Mundo Mujer—Popayán, Colombia	Jordan Micro Credit Company (Tamweelcom), Jordan
Fundación para el Desarrollo de Nueva Segovia, Nicaragua	Joypurhat Rural Development Movement, Bangladesh
Fundación para el Desarrollo Integral de Programas Socioeconómicos, Guatemala	Kabalikat Para Sa Maunlad Na Buhay Inc., Philippines
Fundación para el Desarrollo Integral Espoir, Ecuador	Kafo Jiginew, Mali
Fundación Unión y Desarrollo de Comunidades Campesinas, Costa Rica	Kamurj Universal Credit Organization, Armenia
Funding the Poor Cooperative (FCP)—Chinese Academy of Social Sciences (CASS), People's Republic of China	Kapitalmujer S.A. de C.V. SOFOM E.N.R., Mexico
FUNED VisionFund OPDF, Honduras	Karnataka Regional Organisation for Social Service, India
Gambia Rural Development Agency	Kashf Foundation, Pakistan
Gasha Micro-Financing S.C., Ethiopia	Katalysis Red Microfinanciera Centroamericana, Honduras
Ghana Co-operative Susu Collectors Association Ltd.	Kaunlaran Sa Kabuahayan Microcredit Corporation, Philippines
Ghana Microfinance Institutions Network (GHAMFIN)	Kazama Grameen Inc., Philippines
	Kenya Agency for Development of Enterprise and Technology (KADET)
	Kenya Women Finance Trust—DTM

**Council of Practitioners, continued**

Khushhali Bank Ltd., Pakistan	National Development Programme, Bangladesh
KIEDF, Israel	National Microfinance Bank, Jordan
Konsej Nasyonal Finansman Popile, Haiti	National Microfinance Foundation, Yemen
Kraban Support Foundation, Ghana	National Rural Support Programme (NRSP), Pakistan
Lak Jaya Microfinance Ltd (ASA International), Sri Lanka	Nav Bharat Jagriti Kendra, India
LAPO Microfinance Bank Ltd., Nigeria	Navachetana Microfin Services Pvt. Ltd., India
Laxmi Microfinance Development Bank Ltd., Nepal	Negros Women for Tomorrow Foundation, Philippines
LEAD Foundation, Egypt	Nerude Laghubitta Bikas Bank Ltd., Nepal
Lebanese Association for Development (Al-Majmoua), Lebanon	Network of Entrepreneurship and Economic Development (NEED), India
Liberation Movement for Women, India	New Life, India
Lithuanian Central Credit Union, Lithuania	Nidan Microfinance Foundation, India
L'Union des Mutuelles du Partenariat pour la Mobilisation de l'Épargne et du Crédit au Sénégal (UM-PAMECAS)	Nirantara Community Services, India
Madura Micro Finance, Ltd., India	Nirdhan Utthan Bank Ltd., Nepal
Mahasemam Trust, India	Nissi Global Pvt. Ltd., Zimbabwe
Mahila Arthik Vikas Mahamandal Ltd. (MAVIM), India	Nowabenki Gonomukhi Foundation, Bangladesh
Malawi Microfinance Network (MAMN)	NOWZUWAN, Bangladesh
Malawi Rural Finance Company, Ltd	OMAKONSULTS Microfinance Institution, Nigeria
Malawi Union of Savings and Credit Cooperatives (MUSCCO)	Omo Microfinance Institution S.C., Ethiopia
MAMATA, Bangladesh	ONG Espoir de la Famille, Benin
Manabik Shahajya Sangstha, Bangladesh	OPP-Orangi Charitable Trust, Pakistan
Manidham Grameen Savings cum Credit Services, India	Opportunity International, United States
Manila Community Services Inc., Philippines	Opportunity International Bank of Malawi (OIBM)
MANUSHI, Nepal	Opportunity Uganda Ltd., Uganda
McLevy Institute of Development Services, India	Organización de Desarrollo Empresarial Femenino, Honduras
Mentors Philippines Microfinance Foundation Inc., Philippines	Orix Leasing Pakistan Ltd., Pakistan
Micro Credit Company (MIKROFIN), Bosnia and Herzegovina	Oromia Credit and Saving Share Company, Ethiopia
Micro Start—Action des Femmes pour le Développement, Burkina Faso	Osphen Microfinance Savings and Loans, Ghana
MicroBank, Spain	Oxfam America, United States
Microcredit Foundation EKI, Bosnia and Herzegovina	Oxfam America in Cambodia
Microcrédito Para el Desarrollo, Peru	Oxfam America in El Salvador
Microempresas de Antioquia, Colombia	Oxfam America in Guatemala
Microfinance Centre for Central and Eastern Europe and the Near East (MFC), Poland	Oxfam America in Mali
Microfinanzas Arariwa, Peru	Oxfam America in Senegal
Microfund for Women, Jordan	PADAKHEP Manabik Unnayan Kendra, Bangladesh
Middle East Microcredit Company, Jordan	PADES Microfinance, Togo
Milgree Investments Pvt. Ltd., Zimbabwe	Pagasa Philippines Lending Company International, Philippines
Mitra Bisnis Keluarga Ventura, Indonesia	PAGE Development Centre, Bangladesh
Mitra Dhu'afa Foundation (Koperasi Mitra Dhuafa), Indonesia	PAHAL, India
Mitra Usaha Kecil Cooperative (DINARI Foundation), Indonesia	Palashipara Samaj Kallayan Samity, Bangladesh
Molyn Credit Ltd., Kenya	Palli Mongal Karmosuchi, Bangladesh
Moris Rasik, East Timor	Palli Progoti Shahayak Samity, Bangladesh
MOUSUMI, Bangladesh	Pally Bikash Kendra, Bangladesh
Movimiento Manuela Ramos, Peru	Panyimur Rural Cooperative Savings and Credit Society Ltd., Uganda
Muslim Aid UK - Bangladesh Field Office (Muslim Aid Bangladesh), Bangladesh	Pashchimanchal Grameen Bikas Bank Ltd., Butwal, Nepal
Mutuelle d'Épargne et de Crédit des Femmes, Niger	Peermade Development Society, India
Mutuelle de Services Financiers pour la Prospérité, Benin	People's Bank of Caraga Inc., Philippines
Mutuelle d'Épargne et de Crédit d'Appui pour le Développement de la Femme, Democratic Republic of Congo	People's Education and Development Organisation, India
Mutuelle d'Épargne et de Crédit des Églises des Assemblées de Dieu de la Patte d'Oie, Burkina Faso	People's Institute for Operational Research Training and Development, India
Mutuelle des Associations Féminines d'Épargne et de Crédit, Mauritania	People's Multipurpose Development Society, India
Nabolok Parishad, Bangladesh	People's Organization for Social Transformation, Philippines
Nano Financial Services India Pvt. Ltd., India	People's Oriented Program Implementation, Bangladesh
Nari Bikas Sangh, Nepal	PESADA (Sada Ahmo Association), Indonesia
Naria Unnayan Samity, Bangladesh	Plan International, United States
Narowal Rural Development Program, Pakistan	Plan International-Asia Regional Office, Thailand
National Association for Microfinance Institutions in Cameroon (ANEMCAM)	Plan International-Region of Americas and Caribbean, Panama
National Bank Ltd., Bangladesh	Plan International-Region of East and Southern Africa, Kenya
National Bank of Cambodia	Plan International-West Africa Regional Office, Senegal
	Port Sudan Association for Small Enterprise Development, Sudan
	Poverty Eradication and Community Empowerment, Ethiopia
	PRIDE Microfinance Ltd., Uganda
	PRIDE Tanzania
	PRISM Bangladesh

**Council of Practitioners, continued**

Pro Mujer-Argentina	Shakti Foundation for Disadvantaged Women, Bangladesh
Pro Mujer-Bolivia	Shangathita Gramunyan Karnasuchi, Bangladesh
Pro Mujer-México	Share Microfin Ltd., India
Pro Mujer-Nicaragua	Shariatpur Development Society, Bangladesh
Pro Mujer-Perú	Sheva Nari O Shishu Kallyan Kendra, Bangladesh
Pro Mujer / Pro Women International, United States	Shishu Niloy Foundation, Bangladesh
Professional Assistance for Development Action (PRADAN), India	Shram Unnayan Sangstha, Bangladesh
PROGRESS (Akti Samaj Unnayan Mulak Sangstha), Bangladesh	Sinapi Aba Trust, Ghana
Projet d'Appui à la Reinsertion Socioéconomique des Groupes Défavorisés, Republic of Congo	Sindh Agricultural and Forestry Workers Coordinating Organization (SAFWCO), Pakistan
Proshika Manobik Unnayan Kendra, Bangladesh	Sindh Rural Support Organization, Pakistan
Provident México, S.A. de C.V., Mexico	SKS Foundation, Bangladesh
Proyas Manobik Unnayan Society, Bangladesh	SKS Microfinance Ltd., India
PUNDUTSO Micro Finance, Zimbabwe	Small Enterprise Development Agency, Tanzania
Quick One Financial Company Ltd., Ghana	Small Farmers Development Foundation, Bangladesh
Rashtriya Seva Samithi, India	S.M.I.L.E. Microfinance Ltd., India
RDRS Bangladesh, Bangladesh	Social Advancement Through Unity (SATU), Bangladesh
Red Argentina de Instituciones de Microcrédito (RADIM), Argentina	Social Development Fund, Gambia
Red Centroamericana de Microfinanzas (REDCAMIF), Nicaragua	Sociedad de Ahorro y Crédito Apoyo Integral S.A., El Salvador
Red Costarricense de Organizaciones para la Microempresa (REDCOM), Costa Rica	Société Financière Africaine S.A., Cameroon
Red de Instituciones de Microfinanzas de Guatemala (REDIMIF)	Society Development Committee, Bangladesh
Red de Microfinancieras de Honduras (REDMICROH)	Society for Development Initiatives, Bangladesh
Red Financiera Rural (RFR), Ecuador	Society for Social Service, Bangladesh
Red Latinoamericana para la Justicia de Género y el Derecho al Desarrollo Económico, Peru	Solfi Soluciones Financieras, Mexico
Red Panameña de Microfinanzas (REDPAMIF), Panama	Solidarity, Bangladesh
Regroupement des Institutions du Système de Financement Décentralisé du Congo, Democratic Republic of Congo	Somaj O Jati Gathan, Bangladesh
Réseau Binumtontine, Cameroon	SOMOKAL, Bangladesh
Réseau des Caisses Communautaires Rurales du Bénin	Sonali Bank, Bangladesh
Réseau des Caisses d'Épargne et de Crédit Nyèsigiso, Mali	Sonata Finance Private Ltd., India
Réseau des Institutions de Microfinance (RIM) au Burundi	South Asia Partnership-Bangladesh
Resource Development Foundation, Bangladesh	South Malabar Gramin Bank, India
Resource Integration Centre, Bangladesh	Spandana Sphoorty Financial Ltd., India
Rural Bank of Montevista, DAVAQ, Philippines	Sreema Mahila Samity, India
Rural Bank of Pres. M. A. Roxas Inc., Philippines	Sri Kshetra Dharmasthala Rural Development Project (SKDRDP), India
Rural Community Development Society, Pakistan	Srizony Bangladesh, Bangladesh
Rural Development Bank, Cambodia	State Commission for Regulation of Financial Services Market, Ukraine
Rural Microfinance Development Centre (RMDC) Ltd., Nepal	State Ministry of National Family Planning Coordinating Board (BKKBN), Indonesia
Rural Reconstruction Foundation, Bangladesh	Step Ahead Development Foundation, Thailand
Rural Unit for Health and Social Affairs (RUHSA), India	Sunflower Project (Projet Culture de Tourneol), Democratic Republic of Congo
Rural Women Development Centre, Nepal	Sungi Development Foundation, Pakistan
Sabalambay Unnayan Samity, Bangladesh	Surigaonon Rural Banking Corp., Philippines
Sagarika Samaj Unnayan Sangstha, Bangladesh	Surjamukhi Sangstha, Bangladesh
Sajida Foundation, Bangladesh	Swabalamban Laghubitta Bikas Bank Ltd., Nepal
Salaf Albaraka FONDEP, Morocco	Swadhaar FinServe Pvt. Ltd., India
Salone Microfinance Trust, Sierra Leone	Swanirvar Bangladesh
Samadhan, Bangladesh	Système Financier Décentralisé ASUSU S.A., Niger
Samannita Unnayan Seba Sangathan, Bangladesh	Talete King Panyulung Kampampangan Inc., Philippines
Samastha Lanka Praja Sanwardana Mandalaya, Sri Lanka	Thaneakea Phum Cambodia Ltd., Cambodia
Samurdhi Authority of Sri Lanka, Sri Lanka	Thardeep Rural Development Program, Pakistan
Sanabel - The Microfinance Network for the Arab Countries, Egypt	The Aspen Institute, United States
Sanghamithra Rural Financial Services, India	The First Microfinance Bank Ltd., Pakistan
Santa Fe de Guanajuato A.C., Mexico	The Institute of Rural Development, Bangladesh
Sarvodaya Economic Enterprise Development Services Ltd./Gtee., Sri Lanka	The Small Enterprise Foundation (SEF), South Africa
Self-Reliance Economic Advancement Programme (SEAP), Nigeria	The Society for Development of Human Abilities and Environment (OAZOANE), India
Self-Help and Rehabilitation Programme (SHARP), Bangladesh	Thengamara Mohila Sabuj Sangha, Bangladesh
Serviamus Foundation Inc., Philippines	Tinh Thuong One-Member Ltd. Liability Microfinance Institution (TYM Fund), Vietnam
SETU, Bangladesh	Totem Prestamos S.A. de C.V. SOFOM, Mexico
Sewa Bank, India	TSPI Development Corporation, Philippines
	Turame Community Finance S.A., Burundi

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 UCPB-CIF Finance and Development Corporation, Philippines  
 UGAFODE Microfinance Ltd., Uganda  
 Ujjivan Financial Services Pvt. Ltd., India  
 Unión Católica de Apoyo al Desarrollo Comunitario (UCADE), Ecuador  
 Unión de Cooperativas de Ahorro y Crédito del Centro, Ecuador  
 Union des Baoré Tradition d'Épargne et de Crédit, Burkina Faso  
 Union des Caisses d'Épargnes et Credit des Artisans, Mauritania  
 Union des Clubs d'Épargne et de Crédit du Mayo-Kebbi de Pala, Chad  
 Union des Institutions Mutualiste Communautaire d'Épargne et de Crédit,  
 Senegal  
 Union Nationale des Coopératives d'Épargne et de Crédit (UNCOOPEC) de Côte  
 d'Ivoire  
 Union Régionale des Caisses du Bam, Burkina Faso  
 Union Régionale des Coopératives d'Épargne et de Crédit du Nazino, Burkina  
 Faso  
 United Development Initiatives for Programmed Actions (UDDIPAN),  
 Bangladesh  
 United Nations Development Program Microfinance Project—Pact Institute,  
 Myanmar  
 University of St. Thomas Social Entrepreneurship Program, Pakistan  
 Uttara Development Program Society, Bangladesh  
 Vayalar Memorial Youth Club, India  
 Vietnam Bank for Social Policies (VBSP)  
 Village Education Resource Center (VERC), Bangladesh  
 Village Financial Services Pvt. Ltd., India  
 Virl Microfinance, Zimbabwe  
 Vision Fund AzerCredit LLC, Azerbaijan  
 VisionFund, Cambodia  
 VisionFund International, United States  
 Vivekananda Sevakendra O Sishu Uddyan, India  
 Wasasa Microfinance Institution S.C., Ethiopia  
 WAVE Foundation, Bangladesh  
 Widows Organisation International, Nigeria  
 Wisdom Microfinance Institution, Ethiopia  
 Women and Associations for Gain both Economic and Social (WAGES), Togo  
 Women and Children of Hope, Democratic Republic of Congo  
 Women Cooperative Society Ltd., Nepal  
 Women's Finance House Botswana  
 Working Women's Forum (WWF), India  
 World Concern, Bangladesh  
 World Relief, United States  
 World Relief, Honduras  
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