

## Microfinance what is it for? Results and Aspirations

- Introducing the Seal of Excellence

- « Beyond ethical finance »

Work in progress – Microcredit Summit Campaign

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## Who is it for? Who benefits?



Returns to  
investors,  
promoters



Benefits to clients



Conditions  
for staff

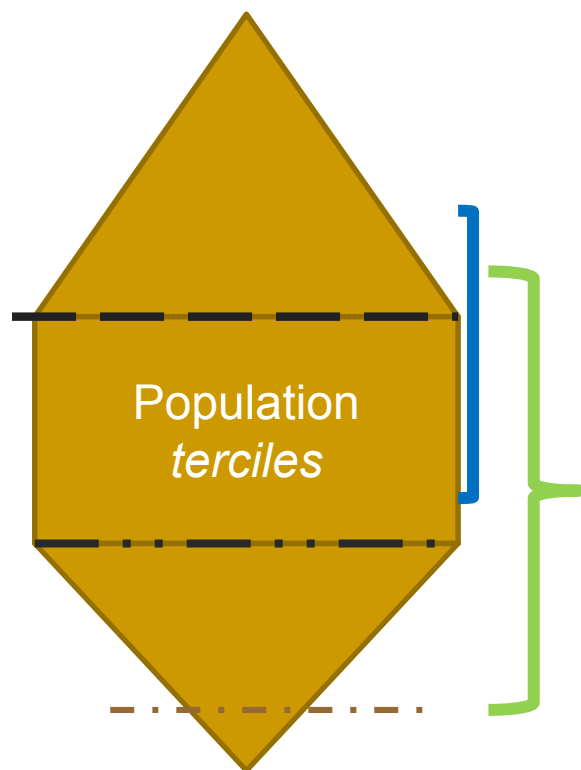
Emerging trade-offs: Growth, profitability and efficiency vs responsible financial services, including staff working conditions, and benefits to clients

## Client focus – current challenges

Matching systems, delivery mechanisms and products to diverse needs

- Understanding the market – different segments
- Standardised products – or customise?
- How inclusive are we?

## Aspiration 1: Excellence for *poverty* outreach



- Inclusion at the bottom of the 'pyramid'
- Measuring poverty – PPI; what outreach do we see?
- Countries/regions – different benchmarks

**Seal:** to recognise inclusion of the lower 30-40% of population (not necessarily exclusive focus on poor or poorest); outreach to less developed regions; client retention

## Aspiration 2: ...and *transformation*

- Search for the appropriate indicators and methods to assess effectiveness
- Research: indicates multiple financial needs and uses, potential for non-financial services; linkages

**Seal:** to recognise effective strategies to add value for clients (e.g. financial planning, livelihoods interventions, health); at least 20% clients access, & client feedback/response

Exploring: gender diversity-opportunities, client participation in governance, evidence for positive change, practical ways to measure

## Seal: Work in progress - consultations

- Reviewing the indicators (Technical Committee)
- Beta tests – in 2012 (rating, social audit)
- Develop guidelines – scope for research
- Questions still open, but ultimately: aim to recognise achievements with evidence at the client level; helping to identify and document effective practices, and practical ways to monitor
- So that microfinance is not only sustainable and responsible, but genuinely inclusive and adding value – for clients