



Keeping clients first in microfinance

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## **MICROFINANCE INDUSTRY CALLS FOR KEY CLIENT PROTECTION INITIATIVES**

*Vikram Akula of SKS, Elizabeth Littlefield of CGAP at The World Bank, others join The Smart Campaign to announce international efforts to promote client protection*

**WASHINGTON, D.C. – October 22, 2009** – Microfinance executives from global organizations convened at Smart Campaign briefings this week and agreed that making client protection an essential component of fulfilling the industry’s double bottom line promise is vital to maintaining the health of the microfinance industry.

The Smart Campaign convened the industry for two briefings that featured a diverse group of microfinance leaders to discuss the role client protection must play in safeguarding the future of the microfinance industry. The speakers were: Vikram Akula of SKS India; Elizabeth Littlefield of CGAP at The World Bank; Pilar Ramirez of Corporación de Fomento a Iniciativas Económicas (CONFIE) Bolivia; Kurt Koenigsfest, CEO of BancoSol in Bolivia ; Samit Ghosh, Founder and Chief Executive Officer, Ujjivan, India; and Asad Mahmood, Managing Director, Global Social Investment Funds, Deutsche Bank. Click here to download an audio file of the briefing: [http://media.accion.org/cfi/Smart\\_Campaign\\_Media-1009.mp3](http://media.accion.org/cfi/Smart_Campaign_Media-1009.mp3).

Since the Campaign was launched at the Clinton Global Initiative in September 2008, it has garnered the support of more than 700 microfinance institutions, networks and associations, and investors and donors who have committed to ensuring good client protection practices are an integral part of the industry.

“Even in the midst of global economic turmoil, our industry continues to expand rapidly all over the world,” said Vikram Akula, Founder and Chairperson of SKS, India’s largest microfinance provider. “This is an encouraging trend, but it also underscores the critical importance of making sure our institutions do not forget that serving our clients in a respectful and transparent manner is the primary reason we are in this business to begin with.”

Microfinance has become one of the fastest-growing sectors in the global economy in the past five years with an estimated US \$5 billion of cross-border investment flowing from the developed world into microfinance institutions worldwide. But the subprime meltdown in the United States that led to the global financial crisis has emphasized the importance of accountability, security, and transparency in financial services.

“There is no doubt that we continue to face daunting global challenges,” said Robin Ratcliffe, Director of The Smart Campaign. “But with such challenges come unique opportunities for collaboration and frank conversations about our industry’s future. The Campaign and its

endorsers are working towards identifying and implementing client protection best practices so the principles are adopted at an operational level.”

“History shows that microfinance can improve the lives of millions and reinvigorate economic activity when it is needed most,” said Pilar Ramirez, President of the Board of CONFIE in Latin America. “This convening is the first of what we hope is a long-term dialogue between microfinance leaders on why protecting clients is so important to the overall sustainability of microfinance.”

The Campaign is developing tools to help organizations implement client protection into their daily business operations, and its most recent offerings include an institutional self-assessment, investor toolkit developed by CGAP, and the first installation of Smart Notes, a collection of best practices based on research from the field.

“Not only will these tools help microfinance practitioners serve their clients in a more transparent and mutually productive way, the tools will give investors and donors the information and resources they need to ensure that potential investees' performance on client protection is an integral part of their due diligence,” said Elizabeth Littlefield, Director of the World Bank and CEO of CGAP.

#### **About The Smart Campaign**

The Smart Campaign is a global campaign spearheaded by microfinance leaders from around the world who believe that protecting clients is not only the right thing to do, but the smart thing to do. The Smart Campaign has formed an all-star Steering Committee comprised of ranking members of the industry representing a diversity of regions, expertise and institutions, including CGAP at The World Bank, Deutsche Bank Social Investment Group (NYSE: DB), the Center for Financial Inclusion at ACCION International, the World Savings Bank Institute, WWB Colombia, KfW (Germany), Ujjivan (India), CARD Bank (Philippines), the Microfinance Centre (Eastern Europe & Former Soviet Union), and Fonkoze (Haiti). By providing microfinance institutions the tools and resources they need to deliver transparent, respectful and prudent financial services to all clients, The Smart Campaign is helping the industry make good on its double bottom line promise and elevating microfinance as a model of responsible banking around the world. Visit us online at [www.smartcampaign.org](http://www.smartcampaign.org).

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