

## **Mainstreaming Social Performance in Microfinance: Implementing the “double-bottom line”**

**Savings and Credit Forum, 2<sup>nd</sup> July 2010**

# **Social Performance Reporting by Selected MIVs**

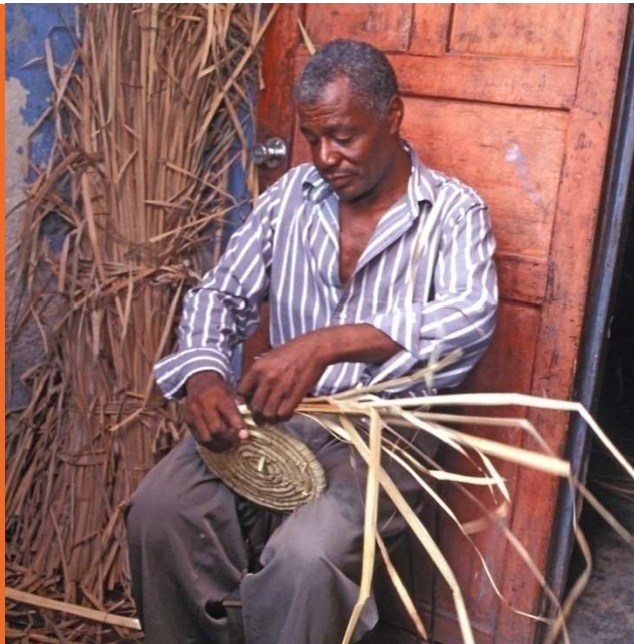
Cécile Koller, responsAbility

Presentation no. 7 :

13.45 – 13.55

## Microfinance – Investments with Double Returns

**Measuring –  
steering –  
increasing probability  
for impact**



Savings and Credit Forum,  
Berne, 2nd of July 2010

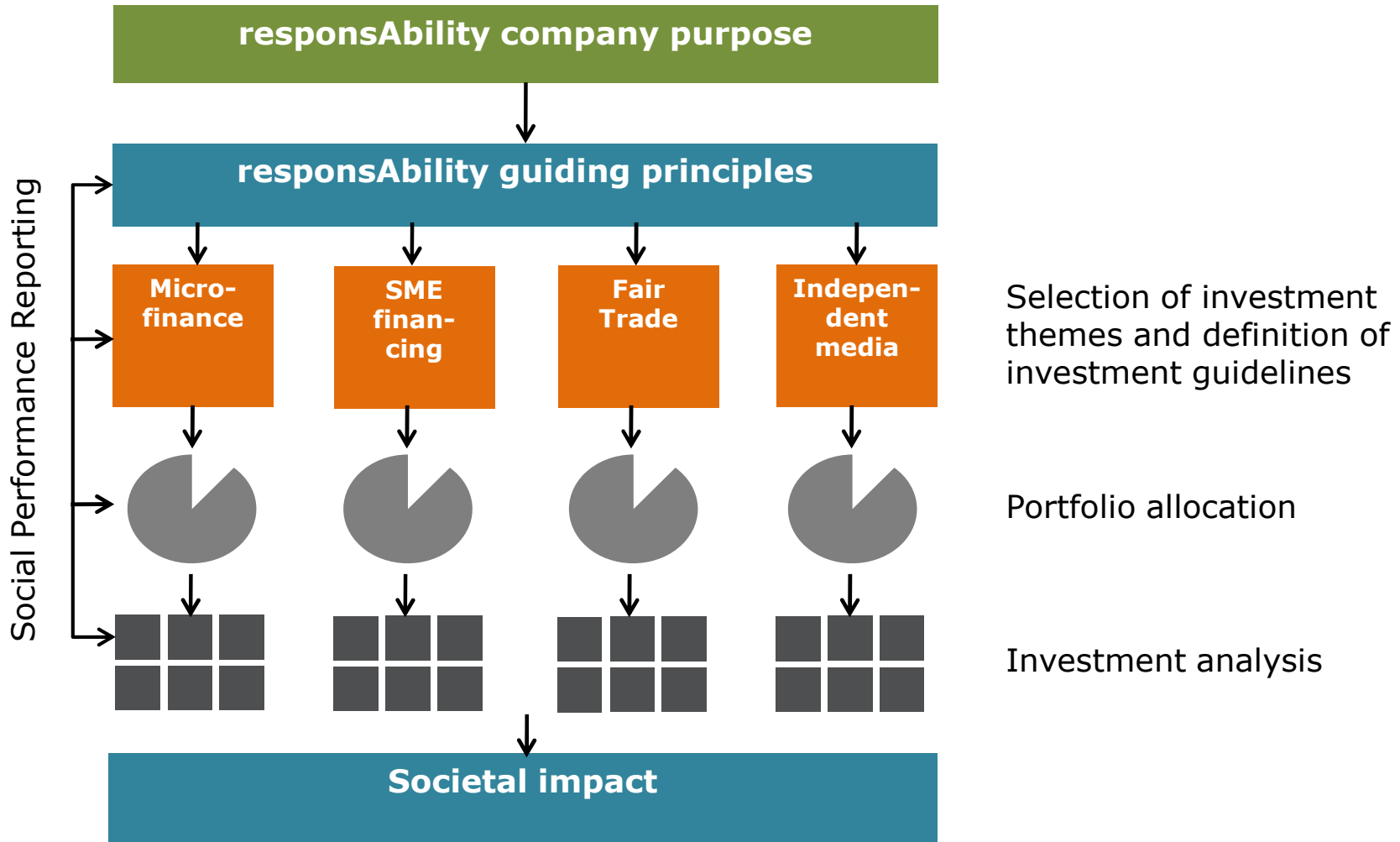
# responsAbility Social Investments AG

## Innovative investment manager

- Founded in 2003 as a Swiss based social investment platform for Swiss and European banks
- Today an advisor of USD 850 million invested in over 60 developing countries and emerging markets in over 250 institutions
- Track record of implementing innovative financial products for social development
- One of the leading private sector microfinance fund managers
  - with very strong institutional investors base
  - with largest retail clients base
- One of the leading private sector equity investors in microfinance and SME finance
- 40 employees in Zurich, Lima and Nairobi and a strong worldwide partner network

# responsAbility investment approach

Integration of relevant development criteria across all levels



# Impact on the level of selecting individual investments

## Evaluating the social performance of microfinance institutions

| Main category                              | Evaluation criterion  |
|--|---|
| Mission and objectives                     | Alignment of mission and objectives<br>Use of Poverty Assessment Tools<br>Measurement of client satisfaction  |
| Products and services                      | Variety of services offered<br>Fair and transparent pricing   |
| Operational systems and processes          | Appropriateness of SP management systems, Responsible employer<br>Prevention of over-indebtedness<br>Client protection<br>Environmental policy  |
| Outreach and financial inclusion           | Number of clients<br>Activity in underdeveloped regions<br>Average loan size<br>Access to savings facilities  |
| Contribution to local economic development | Activity in countries with high levels of poverty<br>Contribution to the development of a formal financial sector<br>Financed sectors<br>Contribution to rural development<br>Contribution to improving the position of women |

→ Five main categories, 19 evaluation criteria (55% quantitative and 45% qualitative/ mixed criteria)

## Five objectives for 2010

Continuously increase development relevance of investments

### Five objectives for 2010

- 1 Increase assets under management in micro-finance to USD 910 million and increase the number of micro-entrepreneurs reached by 50,000
- 2 Step up fair trade investments, and target new investment themes
- 3 Expansion of investments in Africa, South and Southeast Asia
- 4 Offer financing in local currencies
- 5 Introduction of the responsAbility Development Effectiveness Rating (rADER)

➔ Increasing development relevance within existing investment themes and exploring new social investment topics