



August 27, 2014

Dear Microcredit Summit Campaign:

The Microfinance CEO Working Group represents more than 220 retail microfinance institutions in 69 countries globally reaching more than 45 million families with financial services and in many cases, non-financial services as well. In October 2013, we made the following commitments:

- 1. Client Protection:** Encourage all affiliates to progress toward Smart Campaign Certification and be on a pathway toward Certification by the end of 2014.
- 2. Pricing Transparency:** Motivate our affiliates to commit to pricing transparency and integrity by agreeing to publish their pricing data using standard methodologies, such as those developed by MicroFinance Transparency (MFT), in order to allow investors and clients to make informed decisions.
- 3. Social Performance:** Promote the Social Performance Task Force's "Universal Standards for Social Performance Management (USSPM)" among our affiliates and commit to supporting their compliance.
- 4. Outcomes:** Share the research we each have done on outcomes with one another and with the industry and encourage our affiliates to report outcomes relevant to their goals and objectives.
- 5. Global Appeal:** Encourage our affiliates to sign the Global Appeal for Responsible Microfinance as an outward symbol of their commitment to the principles embodied in the above initiatives.
- 6. Investors:** Encourage our affiliates' equity investors to promote the same five initiatives by including them as criteria for investment and our affiliates' lenders to encourage the adoption of comfort letters also promoting the same five initiatives.

We are pleased to report our achievements during the course of the last 10 months since making these commitments and to provide an introduction to the renewal of our commitments for the upcoming year. We anticipate that our renewed commitments will be approved in our September 2014 meeting to be held in Washington, DC.



Michael Schlein,
President and CEO



Rupert Scofield,
President and CEO



Steve Hollingworth,
President



Alex Counts,
President and CEO



David Simms,
President, Opportunity
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Rosario Pérez,
President and CEO



Scott Brown,
President and CEO



Mary Ellen Iskenderian,
President and CEO

Achievements to Date and Renewal of Commitments

- 1. Client Protection:** Between October 2013 and today, 10 of our affiliates serving 5.7 million clients have been certified in Client Protection. In fact, of the 22 Certifications that have been awarded since January 2013, 15 of them have been affiliates of our member networks. In the coming year, we will continue actively preparing our affiliates to excel in client protection and will continue increasing the number of certified MFIs.
- 2. Pricing Transparency:** 80% of our affiliates published their pricing information in those countries in which Microfinance Transparency publishes their data. This coming year we will be an active participant in the Membership Based Pricing Data Collection Pilot and continue to search for ways clients and investors can make informed decisions taking into account our affiliates' prices.
- 3. Social Performance:** Since October of last year, more than 10 of our affiliates serving over 1 million clients have had a social rating or audit conducted. Our Executive Director served on the Board of Directors of the Social Performance Task Force and actively participated in the Expert Panel developing the SPI4. In addition, a good number of our affiliates participated in the Beta test of the SPI4. This coming year we will be refreshing our method of tracking compliance with the Universal Standards of Social Performance Management and will continue to encourage our affiliates to lead by example.
- 4. Outcomes:** In the last 10 months, we have collected and catalogued the research of our networks on client outcomes. We hired an expert on outcomes research to review 69 of these studies and identify the most promising indicators that could potentially be used to standardize the monitoring and evaluation data that our networks collect. This coming year we will continue this important effort to improve the monitoring of our social goals.
- 5. Global Appeal:** As of June 30, 2014, 1,311 individuals and 427 organizations had signed the Global Appeal as an outward symbol of their commitment to the principles embodied therein. We will continue to track and increase these numbers in the coming year.
- 6. Investors:** The CEOs have now held joint meetings with the Financial Inclusion Equity Council (FIEC) on two occasions in order to assess the extent to which we could join hands in driving support for the Universal Standards for Social Performance Management including the Client Protection Standards. The FIEC has since developed a Social Performance Roadmap to assist their members in clarifying and advancing social performance initiatives. In addition, they have formed a Social Performance Working Group that will meet collaboratively with the Social Performance Peer Group of the CEO Working Group to discuss issues of mutual concern and interest. Finally, at least annually, the FIEC and the Working Group will meet together to analyze industry trends and progress in implementing the standards of client protection and social performance management.

For the Microfinance CEO Working Group



Mary Ellen Iskenderian
Co-Chair



Alex Counts
Co-Chair