Oikocredit Actively Supports the Client Protection Certification Program

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Social investor and worldwide cooperative, Oikocredit, stands behind the Smart Campaign as it rolls out the Client Protection Certification Program. Oikocredit will promote compliance with the certification standards among its microfinance (MFI) partners with a goal of having four undergo certification within the next two years. Oikocredit believes in monitoring the social impact of investments and that Client Protection Certification will bring additional transparency in the treatment of clients.

Oikocredit director of social performance, Ging Ledesma, said that over the past five years, the nature of investment in the microfinance sector has changed dramatically and perceived risk has increased while perceived benefit has decreased. “The need to define good performance has become even more imperative for Oikocredit as a social investor as well as for the MFIs we invest in. We are closely involved in initiatives that address this need,” Ms Ledesma said.

Oikocredit’s support for client protection and the Smart Campaign has been longstanding. It endorsed the campaign in 2008 and has sponsored staff and partner trainings in Cambodia, Costa Rica, India, Mexico, the Philippines and Uruguay. In 2012, over 180 Oikocredit MFI partners participated in workshops on the Client Protection Principles (CPPs) and over 50 of these have undergone self-assessments. Over the next two years, Oikocredit will collaborate with the Smart Campaign and REDCAMIF to conduct third-party client protection assessments, an important step towards certification, with more than 14 MFIs in the Central America and Caribbean region. Additionally, Oikocredit has made inroads into incorporating client protection into its due diligence for partners. Before any institution becomes a partner, Oikocredit measures its performance against social performance criteria, including the CPPs.

While meeting the standards of care in compliance with the Smart Campaign Certification is important, Oikocredit recognizes that many financial institutions require work and assistance in improving their practices. Institutionally this is a priority, as Oikocredit works with many less established MFIs and considers it important that these MFIs receive support and capacity building.

About Oikocredit
Oikocredit is one of the world’s largest sources of private funding to the microfinance sector, providing credit and equity to small businesses through microfinance institutions across the developing world and directly to trade cooperatives, fair trade organizations and small-to-medium sized enterprises.

For more information, visit http://www.oikocredit.org

For more information on the certification program please visit http://smartcampaign.org/certification