Challenge and Engage
Protect and Empower

The Mission and Impact of the Center for Financial Inclusion at Accion
Our Challenge

Three billion people live in or near poverty. They are left out of – or poorly served by – the world’s financial system.

These people can benefit from safe, affordable, high-quality financial tools, like savings, credit and insurance, to better manage their lives, weather shocks and seize opportunities.

Our Commitment

We seek a world in which people have the financial tools to improve their lives.

We are an action-oriented think tank. Our mission is to engage and challenge the financial services industry to better serve, protect and empower clients.

Our Vision

We believe financial tools should match client needs, provide good value for the money and avoid causing harm.

We envision financial inclusion as a state in which everyone who can use them has access to a range of quality financial services at affordable prices delivered by a range of providers in a competitive market, with convenience, dignity and consumer protections to financially capable clients. Our vision for financial inclusion goes beyond access to include quality, affordability, appropriateness, convenience, and consumer protection and empowerment.
We are changing the way financial institutions think about their business — and their clients.

Financial institutions serving low-income people are at the center of the financial inclusion puzzle. CFI conducts a variety of interventions to help financial institutions of all kinds — from microfinance institutions to mainstream banks — reach underserved clients with high-quality services.
Client visits were an idea we picked from the Africa Board Fellowship... [We] intensified the number of visits and changed the approach to make the visit more effective. When you visit customers, you understand the context of all that is going on.

— VINCENT KAHEERU, ECLOF BOARD CHAIRMAN

**FEATURED PROGRAM**

**Africa Board Fellowship Program**

The Africa Board Fellowship Program (ABF) helps African financial institutions embrace good governance and risk management strategies while maintaining their mission to serve underserved clients. Fellows are more effectively implementing good governance strategies, managing risks, and becoming more client-centric as a result of their ABF experience.
Once we engaged in the certification process, our conception of client protection broadened to include the client knowing what we are offering and the conditions.

— NOEL IHEBUZOR, GOVERNING COUNCIL MEMBER, GROOMING CENTRE, NIGERIA

Smart Certification

Smart Certification is a way for financial service providers to demonstrate their commitment to client protection. Over 100 financial institutions (collectively serving more than 42 million clients) have been certified for their adherence to The Smart Campaign’s rigorous industry-accepted Client Protection Principles. In many cases, certified institutions have improved transparency and customer service operations, elevated staff morale, and strengthened relationships with both customers and investors.
Mainstreaming Financial Inclusion: Best Practices

Banks and other financial institutions are increasingly seeking to serve the vast customer segment at the base of the economic pyramid. As banks develop their offerings, they must overcome a variety of hurdles to achieve the long-term business viability and sustainability. Our initiative, Mainstreaming Financial Inclusion: Best Practices, in partnership with the Institute of International Finance, identifies the barriers mainstream financial institutions encounter and highlights strategies to address them.
We’re changing the way governments regulate and supervise financial consumer protection.

A strong legal framework is critical to ensure that expanded access to financial products and services does not harm underserved and first-time consumers—particularly those at the base of the pyramid.

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**Smart Campaign Client Protection Principles**

- Appropriate product design and delivery
- Prevention of over-indebtedness
- Transparency
- Responsible pricing
- Fair and respectful treatment of clients
- Privacy of client data
- Mechanisms for complaint resolution
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Model Legal Framework

The Smart Campaign, together with the Partnership for Responsible Financial Inclusion and other partners, developed a model legal framework and commentary on financial consumer protection (MLF) to address gaps in consumer protection regulation and enforcement in 2015. The MLF codifies the Smart Campaign’s landmark Client Protection Principles (CPPs) and accompanying practices into legal and regulatory language.

The MLF, and its foundational principles, have served as a robust financial consumer protection roadmap for governments around the world. Regulators in Cambodia, Egypt, Jordan, Lebanon, Uganda, and Yemen have employed the MLF to develop or revise regulatory frameworks, guidelines or legislation. The Association of Supervisors of Banks in the Americas and the Superintendency of Banking in Peru have endorsed the MLF.

We’ve also seen the Client Protection Principles influence the policy environment — particularly that of Southeast Asia. In Myanmar, the government incorporated the CPPs into their updated microfinance laws in 2016, making important strides to improve consumer protection in the country. Similarly, in the Philippines, and in Peru, there has been uptake of this work at the national level. Since 2015, we have worked closely with MFIN and Sa-Dhan in India to implement government-mandated self-regulation standards using the CPPs as a guiding framework. At the end of 2017, the Smart Campaign worked with the Business Correspondent Federation of India to develop a code of conduct for corporate business correspondents — a first-ever initiate to set consumer protection standards for agent network managers. When put into practice, this code is expected to influence the quality of service for more than 70 million clients. And in September 2018, the Smart Campaign, together with Sa-Dhan, India’s oldest and largest association of community development finance institutions, launched a state-of-the-art tool to log customer complaints regarding unfair business practices, track over-indebtedness and record portfolio data. This new tool will help protect more than 30 million consumers and prevent against over-indebtedness.
We are changing the way investors tackle tough issues in financial inclusion equity investing.

Through the Financial Inclusion Equity Council (FIEC), we have helped equity investors to candidly and collaboratively examine the most difficult and sensitive challenges in financial inclusion impact investing—such as valuation, governance and responsible exits. For over a decade, FIEC has served as a unique membership organization for equity investors, providing a safe space for frank peer exchange, collaborative problem solving and collective industry building.

The Council’s seminal "Governance Guidelines" have been widely consulted throughout the industry, as have its studies on balancing financial and social returns, comparative compensation and initial public offerings. FIEC has also maintained a valuation database to anonymously collect valuation data from members. This database fills a void in the market, providing “comparables” that are otherwise hard for investors to obtain, and enabling the analysis of valuation trends. These groundbreaking efforts are possible because FIEC has built trust and confidence among its members to tackle responsible investing and sustainable inclusion together.

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Financial Inclusion Equity Council

21
INSTITUTIONAL MEMBERS

$35 billion
ASSETS UNDER MANAGEMENT
We are moving global financial health from theory to practice.

We have created a global conversation on financial health that includes policy makers, banking associations, researchers and others. Our growing community includes more than 200 practitioners and researchers around the world.

While financial health resonates universally with consumers, providers and policymakers, the concept is still new in the global context. In 2017, partnering with the Center for Financial Services Innovation and Dalberg Design Group, we created a global framework for assessing financial health. In doing so, we laid a foundation for global financial health that is informing additional research, product and policy design, and models for serving customers. We have also embarked on building a tool for Eastern European microfinance institutions and their clients to help gauge and improve consumer financial health, in partnership with the Microfinance Centre in Warsaw, Poland.
We are setting an agenda for global financial inclusion—and benchmarking our collective progress.

Throughout the decade since its founding, CFI has convened disparate actors to develop the agenda and consensus we need to achieve financial inclusion.

In 2012, recognizing that it might be possible for everyone in the world to access financial services in just a few years, we put out a call for financial inclusion by 2020 and spearheaded a movement among a broad set of stakeholders around the globe to develop a shared roadmap. This movement received an enormous boost when, one year later, the World Bank announced its Universal Financial Access program, adopting 2020 as its target date.
The Global Microscope

Together with partners, CFI sponsors and contributes to the Global Microscope—a report series intended to benchmark the enabling environment for financial inclusion. We have helped the Microscope evolve from a study of microfinance in Latin America and the Caribbean into a global study of the broader financial inclusion ecosystem, including digital financial services.

With 2018 marking its eleventh edition, the Microscope is one of the few benchmarking tools in the financial inclusion sector that spans a decade or more. Investors consult it when considering investment strategies. Regulators use its scoring and rankings as yardsticks for their own performance. They are cognizant of where they stand in the global rankings and are motivated to improve.

Global Trend Analysis

With each Global Findex, CFI conducts its own critical review of the data. In 2015, we highlighted the gap between access to and usage of financial accounts, emphasizing that account ownership is only valuable if accounts are actively used. This message only intensified when we analyzed the 2017 data, and we honed in on three new messages: the absence of discernible progress in savings, credit or resilience. Given the global effort to promote savings and extend access to credit, the flat or negative growth in these core financial services was disappointing. As a result, we led the call for our industry to reflect, re-calibrate and re-engage as we continue to pursue financial inclusion.

In our Mapping the Invisible Market project (2013–2015), we examined the likely impact of global demographic and economic trends on financial inclusion. On the economic side, we highlighted an enormous segment of people moving from abject poverty to the $4–$10 dollar a day range, which gives them a small amount of disposable income and potentially increases their demand for financial services. On the demographic side, we drew attention to a nearly unremarked demographic shift: older people are the fastest growing population segment in regions including East Asia, Latin America and Eastern Europe. We followed up by examining the financial services needs of older people and the inadequacy of pension services for the vast majority of people in our target market.
We are elevating the client voice and shining a light on the most vulnerable populations.

Clients are perennially at the heart of our work at CFI. Where many actors in the community produce valuable macro-level research on financial inclusion, we have added value by zeroing in on the end-user client.

Because clients rarely have a voice—and to protect them, we need to hear directly from them—the Smart Campaign in 2016 conducted a four-country study to ask clients about their experiences with financial service providers and their thoughts on what constitutes good and bad treatment. The resultant Client Voices: My Turn to Speak research, based on fieldwork in Benin, Pakistan, Peru, and Georgia, shed new light on the client perspective, particularly with regards to financial consumer protection. In India and Pakistan, this research was replicated and expanded upon to get a deeper understanding of client treatment in those markets. As an example of the way research findings translate into action, in Peru, Client Voices findings spurred the Superintendency of Banks of Peru to launch a public awareness campaign so that potential borrowers would better understand how credit bureaus and credit scores could affect them.

Similarly, in Georgia, the research sparked Parliamentary hearings and national dialogue.

We have also focused on vulnerable populations, including persons with disabilities and aging adults. Through partnerships with microfinance institutions in Paraguay and India, we developed and promoted a roadmap for disability inclusion that remains one of the only such guides available. And our partner institutions continue to reach out and serve thousands of people with disabilities who were previously excluded. For older adults, we launched an initiative with partners to better understand their income streams and expenses, and the obstacles they face accessing and using financial services. By studying these underserved groups, we have validated critical issues such as disability inclusion, pension reform and age caps.
We are addressing the big, unanswered questions in financial inclusion.

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CFI Research Fellows Program

Through the CFI Research Fellows Program, we are encouraging independent researchers and analysts to systematically examine some of the most important challenges in financial inclusion. Since launching the program in 2015, we have commissioned nine experts to challenge prevailing narratives and perceived silver bullets for financial inclusion. Our fellows have shattered the notion that government-to-person schemes and smartphones are automatic onramps for inclusion. They have also revealed the important ways in which human interaction should offset digital interaction as providers scale their efforts on mobile and online.
We offer a critical and credible perspective—earning the trust of our peers.

As an action-oriented think tank with a participatory model, we offer a credible point of view on the industry. We study the industry at large and consider the global perspective. We do not provide financing or investment. Therefore, we are uniquely positioned to be a critical and credible voice in the financial inclusion community.

Through our initiatives and insights, including the CFI Blog and our annual Financial Inclusion Week event, we keep the community informed, up to date and focused on the client. Our ongoing coverage of refugees, client voice, the financial diaries and Keeping Clients First are just some examples of the client focus we’ve built into our sharing, learning and debate platforms. We are a trusted source of information, new insights and opinion and today our broad vision for financial inclusion is shared by many leaders in the community.

80+
REPORTS RELEASED

~2,000
BLOG POSTS PUBLISHED

17,000
PEOPLE REACHED THROUGH VIRTUAL AND LIVE EVENTS
We are shaping the next generation of financial inclusion leaders.

Strong and skilled on-the-ground leadership is needed to both achieve and sustain financial inclusion. We built leading executive education programs to build practical knowledge and human capacity for deepening financial inclusion around the world.

— Bunmi Lawson, Former CEO, ACCION Microfinance Bank, Nigeria

The Africa Board Fellowship is a must for all board members of microfinance banks. The combination of case studies, role plays, peer-to-peer discussions, [and] experienced facilitators created an environment of learning that brought about deep insights that can be implemented with quick, measurable, positive results on most boards. I feel more confident of our growth plans.

— Bunmi Lawson, Former CEO, ACCION Microfinance Bank, Nigeria

ACCION-HBS Program on Strategic Leadership in Inclusive Finance

13
YEARS

nearly 800
PARTICIPANTS

almost 100
COUNTRIES

→ The Africa Board Fellowship Program offers board members and CEOs of African financial institutions serving low-income clients an opportunity to strengthen governance and manage risk.

→ The HBS-Accion Program on Strategic Leadership in Inclusive Finance provides management and leadership training to executives shaping the financial inclusion industry.
Institutional partnerships are essential to advancing financial inclusion and core to sustaining everything we do.

As a non-profit action-oriented think tank, we are uniquely positioned to pursue the challenges facing the financial inclusion community. We work alongside our institutional partners, sharing our insights and generating action on how to advance financial inclusion. We are grateful for their multi-faceted support.

“...For Credit Suisse, the longstanding relationship with Accion has allowed us to gain a deeper, research-based understanding of the challenges of financial inclusion and to be at the forefront of new developments, like fintech for financial inclusion. We highly value the cutting-edge work by Accion and its leadership, and our executives and clients appreciate Accion’s professional expertise and commitment.

— Manuel Hörl, Head of the Credit Suisse Financial Inclusion Initiative
Institutional Partners

2018 Collaborators

We would also like to recognize some of the many organizations with whom we work shoulder to shoulder. We are going farther by going together with all of you.

This list recognizes currently active partners — there are many more over the course of our 10-year history.

→ Business Correspondence Federation of India
→ Center for Financial Services Innovation
→ Economist Intelligence Unit
→ EBS Advisory
→ Harvard Business School
→ Inclusion Social Ratings
→ Inter-American Development Bank
→ Institute of International Finance
→ Partnership for Responsible Financial Inclusion
→ M-CRIL
→ The Microfinance Centre
→ Microfinanza Rating
→ MicroSave
→ Sa-Dhan
→ SAWAY
→ SEEP Network
→ The Social Performance Task Force
The Center for Financial Inclusion at Accion (CFI) is an action-oriented think tank that engages and challenges the industry to better serve, protect, and empower clients. We develop insights, advocate on behalf of clients, and collaborate with stakeholders to achieve a comprehensive vision for financial inclusion. We are dedicated to enabling 3 billion people who are left out of—or poorly served by—the financial sector to improve their lives.

www.centerforfinancialinclusion.org
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