

Global Inclusive Finance Summit A Unique & Credible Platform for Policy Makers & Practitioners



C.S Reddy
CEO, APMAS

The microfinance sector in India has been evolving for over three decades now, achieving phenomenal success! In these years, near universalisation of financial inclusion has been achieved with a proactive policy of the Central & State Governments, the Reserve Bank of India (RBI) and an equally strong role played by the major stakeholders in the sector. Having been born in the year 2001, APMAS has stayed with the sector and has made its humble contributions, particularly to the women's Self Help Group (SHG) movement in the country. ACCESS Development Services (ADS) has emerged as a significant player in the sector, and the Global Inclusive Finance Summit played a pivotal role in influencing both policy

and practice by faithfully & persistently serving as a platform by bringing out empirical evidence through high-quality State of the Sector (SoS) Reports, promoting transparency & accountability by recognising & awarding outstanding organisations and individuals for their prudential performance all these years and by evolving itself with the emerging sector needs firmly establishing itself as a unique enabler of international repute!

APMAS and ACCESS always enjoyed a strong biological & professional relationship as partners in the sector as both institutions were born from a large-scale microfinance program of CARE India called 'Credit & Savings for Household Enterprise' (CASHE) funded by DFID UK between 1998 and 2005. Also, both the founders, CS Reddy & Vipin Sharma, worked together in CARE India International for



some years and have continued working together to date!

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Seeding of the Idea

An innovative and visionary idea of my good (old!) friend for almost 30 years and former colleague at CARE, Vipin Sharma, led to the evolution of a credible & respectable platform for all the important stakeholders in the microfinance sector – what was initially called as **India Microfinance Summit** transformed itself into **Global Inclusive**

Finance Summit as its known today over 2-decades growing in strength, scale, scope, reputation and impact

demonstrating its agility and utility for policymakers & practitioners alike! For many in the microfinance sector, it became prestigious to attend the Annual Conference, and for those that were invited to speak at the event, it was considered as a real recognition of the sector for their contributions!!! Vipin and his team have been successful in gaining the support & confidence of so many sponsors and supporters of the Annual Summit & Annual Publications! Government of India, SIDBI, NABARD, Ford Foundation, World Bank, BMGF, UNDP, UN Women, and DFID UK, to name a few important organisations, joined hands with ACCESS to make the Annual Summit a vibrant event! Most importantly, SIDBI stayed with the Inclusive Finance Summit as its principal Patron supporter and, most importantly, optimally used the platform for the growth & development of the sector in India.

Vipin ensured round-the-year engagement with Summit-related activities, including seminars, roundtables, thematic discussions, policy dialogues, research studies and many other related events. The Annual Summit, over the years, has become more than a two-day global event, fostering collaborations & partnerships among sector players and enabling stakeholders to stay connected with the latest developments. A large number of stalls set up by various service providers like technology, HR, Insurance, systems, etc., for the inclusive finance sector.

I have been most fortunate to have been associated with Vipin in the conceptualisation and realisation of

the Annual Summit as the most vibrant sector platform! Most importantly, I was a member of the Microfinance Advisory Group (MAG) for several years, which guided ACCESS in the design and conduct of the Annual Summit. Many APMAS colleagues like Mrs. Ramalakshmi, Dr.

Raja Reddy, and Late LB Prakash made contributions to the State of the Sector Report and several APMAS staff attended the relevant Summit events. APMAS was also a knowledge partner of the Summit for some of the years in the initial phase when there was equal emphasis on Community-based microfinance through the SHGs and commercial microfinance through the MFIs.

Over the years, the Summit evolved into an event more for the commercial microfinance institutions and Banks with less focus on the SHGs and SHG federations!

State of the Sector (SoS) Report

An important & integral part of the Annual Summit was the **Microfinance in India: State of the Sector Report** by a reputed author or a set of authors supported by several sector experts, which

was developed over a period of almost one year!! Each year, a high-quality SoS report is released on the first day of the Summit, salient findings are presented & debated at the summit, and copies of the report are widely circulated in digital & physical form. APMAS has been a consistent contributor

to the SoS reports since its inception, particularly related to the SHG movement and the emergence of the SHG federations to sustain the SHG movement. In addition to the State of the Sector Report (also called the SoS Report), several associated publications were also released during the conference, including APMAS publications. In the year 2007, based on a country-wide study that APMAS

conducted on SHG federations, we brought out a publication called “Status of SHG Federations in India”, which was released during the conference. Another study that APMAS conducted with the support of GIZ and DGRV Germany Titled “A Study of SHG Federation Structures in India: Core Elements for Achieving Sustainability” was published in Dec 2012 as a part of the Annual Summit. We also produced a video film on 2-decades of SHG – Bank linkage for NABARD during one of the Annual Summits. In many of the Annual Summits, APMAS set up a

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stall displaying all the training & capacity-building modules & manuals developed for strengthening the SHGs and SHG federations. APMAS has always felt as an integral part of the Global Summit.

National Awards for the Best SHG Promoters/ MFIs/Banks Engaged in Financial Inclusion

Another dimension of the Annual Summit is the Annual Inclusive Finance Awards! Over the past 20 years, a large number of innovative & outstanding MFIs, Banks, NGOs and Individuals have been given awards with cash prizes and citations. This enabled a large number of award-winning institutions to mobilise additional funds and build new partnerships. In India, the awards presented at the Summit were considered prestigious and are proudly displayed by the winners on their websites and social media. The entire process of sourcing applications, data analysis and selection of award winners is done in a transparent and professional manner. For most of the years, HSBC Bank has been the principal sponsor of the Awards, and there has always been an eminent Jury for the selection of the award winners supported by ACCESS playing the role of secretariat. The award-winning MFIs, NGOs, Banks and Individuals felt proud to be the recipients of the prestigious ACCESS Awards during the Annual Summits. These awards were considered as special by all.

APMAS was felicitated and awarded at least twice during these annual Summits recognising our contributions to the SHG movement in India – celebrating 25 years of SHG Bank linkage and celebrating 20



years of APMAS and its contributions in “Strengthening SHG movement Enabling Women’s Economic Empowerment”.

Reflecting on the 20 years of ACCESS/ Global Inclusive Finance Summit, I can enumerate numerous significant achievements/contributions. However, considering that several eminent personalities will make contributions to this coffee table book, I restrict myself to the TOP 3 ACHIEVEMENTS of the Global Inclusive Finance Summit in these 20 years:

- 1. High Quality, data-driven, analytical and Timely Publications on the State of Financial Inclusion Sector :** The microfinance sector has several publications over the years! However, many of these publications give you a fragmented view of the sector. Having all the

data of the sector in one place, objective analysis of the data to come up with important findings, interpreting the data, drawing major conclusions and to come up with recommendations has been a seminal contribution of the Summit Platform. These SoS Reports are brought out every year in a timely manner, well-researched, well-written and high-quality publications which serve as a reference document for the Government, RBI, NABARD, Donors, Banks, Researchers, Academicians, etc. Some of the SOS Reports are published by SAGE publications, indicating the high quality of these reports.

During the Annual Summits, several other publications like

“2-Decades of SHG-Bank Linkage”, social performance of the MFIs, etc. are also brought out periodically as per the needs of the sector. The beauty of these publications is that they are available both in digital and physical forms! These publications are widely referred by policy makers, practitioners, researchers and academicians! APMAS contributed to these publications on a regular basis and also brought out some of relevant publications during these annual summits.

2. Facilitating an Enabling Ecosystem for the Financial Inclusion Sector:

Over the past 20 years, the microfinance / financial inclusion sector has gone through a transformation. Starting from the early years of the 1990s, both the SHG and MFI models were growing in the country. However, there was a limited enabling environment for the microfinance sector

in India. In those formative years, Sa-Dhan, an association of Community Development Financial Institutions, played an enabling role for the NGOs, MFIs and other agencies to facilitate access to financial services for more

than 70% of the financially excluded population. However, starting from the year 2004, the Microfinance India Summit emerged as a strong platform. ACCESS worked closely with all the

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major stakeholders, including Sa-Dhan, to ensure evidence-based policymaking in the country.

In the early years of 2000, commercial microfinance led by the NBFCs was

growing at an exponential pace. Such a high growth of MFIs resulted in certain undesirable practices like high rates of interest charged by MFIs, multiple lending to poor women and coercive recovery practices of the MFIs. Annual Summits served

as a platform to develop, refine and propagate “Voluntary Model Code of Conduct” for the MFIs. I remember in one of the Annual Summits, the Code of Conduct for the MFIs was



released at the event. Almost all the Annual Summits served as a strong forum for reinforcing the code of conduct and addressing the problems faced by the MFIs. In the numerous plenary & parallel sessions of these Annual Summits, all the relevant topics related to client protection and how the SHG model & the MFI model can co-exist were debated, and major conclusions were widely circulated for wider use. I always enjoyed being a part of these healthy debates and discussions where, at times, the tempers rose quite high. Having discussions among all the major sector players, particularly the dialogue between the policymakers & practitioners, was a wonderful sight to watch. Most importantly, it resulted in the necessary policy & practice changes!

In the year 2005, there were certain allegations on the MFIs in the erstwhile State of combined Andhra Pradesh about MFIs breaking up the SHGs to form JLGs and engaging in unhealthy practices such

as several MFIs lending to the same poor women and resorting to strong-arm tactics for loan recovery. The Annual Summits had considerable space allocated to address these issues and ensure that the MFIs follow their own voluntary model code of conduct. When the Andhra Pradesh Government brought out the AP Microfinance Regulation (money lending) Bill in October 2010, the Summit discussed about the fallout of the AP MF Bill and its implications for microfinance in India. To ensure that there is no dominos effect, ACCESS worked with Sa-Dhan and MFIN to ensure that RBI came up with an appropriate regulation for the MFIs. APMAS made a presentation to the Malegam Committee Constituted by RBI, and the Annual Summits & the SOS Reports played a pivotal role in informing the RBI Committee in formulating appropriate regulations for the development and control of the MFIs. Annual Summits maintained objectivity in facilitating healthy discussions and deliberations on possible solutions without pushing for their own agenda. I would not hesitate to say that the Global Inclusive Finance Summit and its associated events & publications have made unique contributions to the evolution of an enabling ecosystem for financial inclusion in India and perhaps in other developing countries.

3. Promoting Transparency & Accountability in the Microfinance Sector: The Annual SOS Report and the Annual Inclusive Finance Awards ensured that all the major stakeholders in the sector practised transparency and accountability. The criteria for the selection of the best MFIs, NGOs

and Banks ensured that prudential norms and standards were widely communicated and became known to all the stakeholders. While the RBI designated Sa-Dhan and MFIN as Self-Regulatory Organisations (SROs) under the Microfinance Regulation Bill, ACCESS, through the Annual Summits & its publications, helped the SRO system to become functional.

Improved transparency and accountability of all the players, including the lenders to the MFIs, ensure a manageable and healthy growth of the sector, with many MFIs transforming into Payment Banks and Small Finance Banks. During these 20 years, at least 2 MFIs that benefited from these Annual Summits also transformed into mainstream banks – Bandhan Bank & IDFC Bank. Today, the major push given by the Government of India for financial inclusion through digital payments and the challenges faced by Covid 19 pandemic have ensured that financial literacy and financial inclusion are near universal. Of course, there is a lot more to be done to make sure that financial inclusion is deepened and the interest rates for the poor further come down for them to have viable

enterprises. The interest rates charged by the MFIs are still high, making it hard for the poor to overcome poverty, and the support for microenterprises is still limited. Banks are also lending to the SHGs and MFIs to meet their priority sector targets without being fully aware of the improvements in the quality of life, at times engaged in the evergreening of loans.

APMAS immensely benefited from these Annual Summits through contribution and participation in almost all of them. I enjoyed being a part of the Microfinance Advisory Group and always enjoyed attending the Annual Summits to participate & speak!

Kudos to Vipin and his team for their professional approach and outstanding arrangements for these annual events. Over the years, we have seen the numbers swell, and the quality of the Summits dramatically improve. During the Covid COVID-19 period, the Summits were organised in a virtual mode with the most innovative use of technology, ensuring the same level of discussions and debates. The Inclusive Finance Summits' dynamic nature, relevance to current contexts, and commitment to impactful themes ensured its continued success for the past 20 years. I am certain that these Annual Summits will continue for the next 20 years with improved vigour and impact. I am looking forward to an Annual Summit which ACCESS, ■

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