

## **PRESS RELEASE**

**Oikocredit announces results of social audit**

### **Pushing the frontiers for a social audit of investors**

***Amersfoort, 13 October 2009 – How to measure the economic performance and social progress of our economies? The debate on the macro economic indicators is animated since the latest report of the commission headed by the Nobel Prize winner Joseph Stiglitz. On a micro level, tools and indicators are now in the process of being developed and tested. Today, Oikocredit, a leading private investor in microfinance, has released the results of its social audit, the first audit of its kind. Does Oikocredit really fulfil its social mission and maintain its values?***

#### **Focus on high social return**

For Oikocredit and its investors, it is essential to know that investments of some € 370 million lead to positive changes in the lives of the working poor. In the past few years, Oikocredit has taken substantial steps to assess the social performance of its 500 partners in microfinance. Since 2005, Oikocredit has notably increased the number of tools used to monitor and assess social performance. In addition to impact studies, Oikocredit carefully reviews its partner's mission, their products and services, their interest rates and their gender and environment policies.

#### **Social auditing**

The latest innovation in social performance measurement is to look not only at the performance of the microfinance institutions, but also to undertake a social audit of private financiers. Oikocredit, by turning the examination on itself, is the first financier to collaborate with Cerise in the on-going development of the social audit tool. Cerise is at the forefront of social performance, and serves as an exchange platform on practices in microfinance. Cerise's Social Performance Indicator tool, a social audit instrument for microfinance institutions, is recognized by CGAP, SEEP network and donors worldwide. The tool is currently being developed to analyze financier's internal systems and processes. Oikocredit's collaboration in this development process reflects its commitment to a serious assessment of its policies, procedures, products and services and the extent to which it fulfils its mission.

#### **Main findings**

The social audit report reveals that Oikocredit has a strong social mission and vision, committed human resources, trained staff and is actively pilot-testing innovative tools for social performance assessment. It also has a clear focus on rural development and it finances a wide range of institutions, from small village banks to medium and large established institutions. It adequately answers the needs of partners that need financing in local currencies (some 45% of the total capital outstanding).

But the report also shows the challenges ahead of the organization. At this stage, Oikocredit collects information on its microfinance partners and draws their attention to tools to enable them to know their 16,8 million clients better and to improve their products. The main challenge is now to operate the shift from collection and assessment of data to management. This implies a pro-active strategy to improve and promote social performance.

Using the outcome from this audit, Oikocredit can update its social performance procedures and further develop its outreach strategy, products and services. Fulfilling its mission means both investors and clients can benefit from the social and financial empowerment of an Oikocredit loan.

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**More information**

For an interview with Ben Simmes, Deputy Managing Director and Director Social Performance & Financial Analysis Oikocredit, to receive the summary of the social audit conducted by Cerise or for other information, please contact Juliette de Voogd, Department Corporate Communication: +31 33 422 4040, [jdevoogd@oikocredit.org](mailto:jdevoogd@oikocredit.org).

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