

**Microfinance *and***  
**Inclusive Development**  
*- an Alternative Summit*



## Microfinance and Inclusive Development – an Alternative Summit

Globally, microfinance has come a long way in achieving the objectives of impacting poverty. A large segment of poor people have access to microfinance services viz. savings, credit, micro insurance and remittance and there is a perceptible reduction in poverty. Some even talk about/initiated micro pension schemes.

Two distinct approaches characterize the delivery of microfinance – minimalist or financial system approach and poverty school approach. The financial system approach seems to relegate microfinance as a means of addressing poverty. This has led to a debate in many countries as to whether there is a mission drift leading to decreasing focus on developmental outcomes of microfinance interventions. Beyond finance, microfinance programmes have generated social capital providing for synergy to initiate and intensify an inclusive developmental process encompassing livelihoods, education, health and MDG related goals.

### Microfinance as a hub for inclusive development:

Poverty is multi-dimensional and poses major challenges to Asian nations while pursuing economic development. Though it is more than a decade since inception of microfinance programmes, it is a matter of serious concern that access to sustainable micro finance services to a large chunk of poor people in Asia is still a major bottleneck. However, the potential of microfinance to aid and advance inclusive development is promising. Many countries in Asia are focusing on financial inclusion with an objective of connecting the poor to the formal financial system as access to banking system provides affordability.

Success stories of Inafi members in utilizing microfinance effectively for social and financial inclusion set up an enabling environment to emulate and trigger the development process touching wide range of issues of livelihood, food security, health, education, women empowerment, etc. It is this focus on development combining three pillars of inclusion namely social, financial and economic which calls for an Alternative Summit for Microfinance. It is in the fitness of things that Inafi as a network, committed to the development outcome through microfinance, is joining hands with the SERP, a development institution of Government of Andhra Pradesh and Government of India (GOI) which has launched National Rural Livelihood Mission (NRLM) for poverty alleviation as they share common philosophy and vision for organizing the Alternative Summit in Asia, for sharing the experiences and for evolving a road map for Inclusive Development through microfinance.

### Alternative Summit

#### The theme - Microfinance and Inclusive Development

The expanding microfinance eco system with larger social capital has not been leveraged adequately for advancing inclusive development, even as we find gaps and constraints in strategies for sustainable access, to innovative financial services and livelihood products. Further, a stronger need is felt for harnessing synergies and to facilitate better coordination

and collaboration among different agencies in addressing issues concerning health and education along side technology as an enabler in this process. Inafi, SERP and GOI seek engagement of development stakeholders to draw strategies for development on larger canvas through microfinance in the Alternative Summit. The Summit would be for three days with each day having distinct focus on the topical issues in microfinance.

Day 1: Community/client ownership of microfinance and Social Capital

Day 2: Beyond microfinance - engendering development process and outcomes

Day 3: Savings led microfinance services

### Objectives of the conference

- i) To look at different but effective approaches in the microfinance interventions based on the client/community ownership and disseminate best practices in such approaches across the sector.
- ii) To bring out the positive fall-out of the community owned, controlled and managed microfinance models in building social capital and its larger benefits for development.
- iii) To examine and appreciate the role of savings in mobilizing the local capital from the poor and low income families and building sustainability.
- iv) To explore various safety and risk mitigating mechanism to insulate poor from various risks.
- v) To provide a platform for sharing successful experiences in engendering development outcomes through microfinance interventions encompassing livelihoods, MDGs (health and education), women empowerment, networking, and financial inclusion, etc.
- vi) To take stock of the larger development impact triggered by microfinance work in different contexts and to disseminate widely.

### When and where

June 21-23, 2011 @ Hyderabad, India.

### Venue

**Dr. Marri Chenna Reddy Human Resource Development  
Institute of Andhra Pradesh**

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### For whom

Microfinance practitioners, NGOs and MFIs, Governments, Policy Makers/Apex Institutions, Commercial Banks, Insurance Companies, Regulators, Academia, Donor Agencies, Philanthropies and other development stakeholders.

## About NRLM

National Rural Livelihoods Mission (NRLM) is an initiative of the Ministry of Rural Development, Government of India to promote sustainable rural livelihoods. This Pan India Mission aims to reduce poverty through building grass root institutions of the poor, to enable the poor households to access gainful self employment and skilled employment opportunities on sustainable basis and reduce the vulnerability of the poor to natural or manmade shocks. The Mission seeks to achieve universal financial inclusion and provide infrastructure support for the livelihoods.

## About SERP

Society for Elimination of Rural Poverty (SERP) is an autonomous society of the Department of Rural Development, Government of Andhra Pradesh. SERP is implementing a World Bank funded poverty alleviation project called Indira Kranthi Patham (IKP). IKP looks at all dimensions of poverty and seeks to address all of them by organising the poor into Self Help Groups and federating them at village, mandal and district level. It is a community driven project that enables the poor to improve their livelihoods and quality of life through their own organizations. It has reached 11 million households by bringing them under 1 million self help groups making it one of the largest microfinance program. SERP focuses on promoting livelihoods and addresses health, educational and social security needs of the poor through community owned institutions. It plays a key facilitating role in promoting credit access to the poor and their institutions from the formal banking sector.

## About Inafi

Inafi (International Network of Alternative Financial Institutions) is a global network of Development Organisations involved in enabling and supporting micro finance programmes of the member organizations in Asia, Africa and Latin America. Inafi brings together micro finance NGOs/MFIs at three levels: international, regional and country level as in India, Philippines, Bangladesh, etc. in Asia context. Inafi members - over 250 organisations in three continents address poverty of client groups comprising of disadvantaged poor women and other vulnerable segments of the society through Microfinance with the collective outreach of more than 40 million clients across a globe. Inafi recognizes the critical role of micro finance interventions as part of the development strategy in eradicating root causes of poverty.



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