

## Progress in the first year of the Principles for Investors in Inclusive Finance

**(LONDON, 9 February 2012)** The Principles for Investors in Inclusive Finance (PIIF) are a set of guidelines to shape an inclusive financial services industry that keeps the interests of its low income clients at its core. They are housed within the UN-backed Principles for Responsible Investment and will celebrate their first year of progress on 16 February in Paris at the Social Performance Task Force's investor meeting.

To demonstrate progress, a publication showcasing how the Principles are helping investors ensure their investees are dealing fairly with clients has been launched. *Responsible investment in inclusive finance: Principles for Investors in Inclusive Finance case studies* [can be downloaded here](#).

As Marilou van Golstein Brouwers, Managing Director of Triodos Investment Management and chair of the PIIF steering committee explains, *"These case studies are shared in the spirit of facilitating mutual learning and co-development of responsible practices and standards in the inclusive financial services industry."*

Individual principles cover topics such as the promotion of savings as well as the provision of credit, and balancing the needs of financial investors against those of the client. Investors recognise that the endorsement and promotion of such guidelines is important because it both protects investor returns and ensures poorer clients are protected from harm. Theo Brouwers, Managing Director of SNS Impact Investing, argues *"client protection is central to the funds' performance because it reduces the financial and social risks of client non-repayment."*

The Principles also promote transparency by requiring signatories to complete an annual questionnaire that has been devised with input from investors and others in the industry. The mandatory questionnaire will be implemented following its pilot this summer, with results expected in autumn 2012.

By signing the Principles investors are signalling a collective aim to peers and other industry stakeholders, as well as showing microfinance retailers that good practice will be rewarded by investors. As James Gifford, Director of the UN-backed Principles for Responsible Investment, explains, *"Investments in inclusive finance are one of the most important mechanisms to help us achieve the UN Millennium Development Goals. Also, as with any investment class, environmental, social and corporate governance factors can affect the financial performance of inclusive finance investments. The Principles for Investors in Inclusive Finance are a necessary step in the inclusive finance infrastructure to safeguarding all stakeholder interests."*

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## About the Principles for Investors in Inclusive Finance

The PIIF were developed in response to growing interest in inclusive finance and demand for investor guidance. They are an initiative of investors and Her Royal Highness Princess Máxima of the Netherlands, the UN Secretary-General's Special Advocate for Inclusive Finance for Development. The group developed the PIIF together with Principles for Responsible Investment (PRI), the World Bank's Consultative Group to Assist the Poor (CGAP), and key industry players. They were launched on 27 January 2011 at the Responsible Finance Forum hosted by the Dutch Ministry of Foreign Affairs.

The 40 founding signatories to the Principles comprise a range of financial institutions from around the world specialising in microfinance and funding for small and medium-sized enterprises. They include some of the largest specialist fund managers, including BlueOrchard and responsAbility, pension funds such as PGGM, TIAA-CREF and the Dutch development finance institution FMO. Since launching in January 2011, they have been joined by a further 14 commercial investors.

## About the Principles for Responsible Investment

Backed by the UN and developed by the investment community, the Principles for Responsible Investment initiative reflects the view that environmental, social and corporate governance (ESG) issues can affect the performance of investment portfolios and should be given appropriate consideration by investors.

The Principles provide a voluntary framework through which all investors can incorporate ESG issues into their decision making and ownership practices and so better align their objectives with those of society at large.

The PRI initiative was established in 2006 after the launch of the Principles to help investors implement the Principles. Managed by the PRI Secretariat, the initiative promotes responsible investment and supports investors by facilitating collaboration and sharing best practices. The initiative is incorporated as a registered charity based in the United Kingdom.

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