

Microfinance Initiatives: M-CRIL

(offers “comprehensive” and “thin” social ratings)

Micro-Credit Ratings and Guarantees India Ltd (M-CRIL) was the first of the microfinance rating agencies to pioneer a social rating product. It launched its social ratings product in 2005, conducting seven social ratings in the 2005-6 period and 8 audits. In addition, 11 social ratings for 2007 are nearing completion. M-CRIL's flagship social rating product is the comprehensive social rating which includes analysis of country development context, MFI model, products and services, mission, systems, portfolio data and a small statistical field sample to analyze outreach and appropriate services. If an MFI does have robust client level information, M-CRIL will assign a social rating based on verification and analysis of that data.

The comprehensive social rating is undertaken at around the same level of cost as a full credit rating, and is intended to provide complete, evidence based, information about social performance to discerning investors with strong social motivation, donors, and interested MFIs.

The M-CRIL social rating report provides information about the context in which the MFI operates, details the steps the MFI uses to translate its social mission into practice, and discusses the ways in which the MFI complies with social responsibility mandates. If the client chooses the field survey option, the report will also cover depth of outreach and client feedback on products and services. This field data can serve as baseline information for future follow up - which could be included as part of a later social rating exercise which would include an assessment of change at the client level on key development indicators. The six dimensions covered in an M-CRIL social rating are thus Context (country development indicators and MFI profile), Mission and Systems Alignment to mission*, Social Responsibility (SR)*, Social Goal Outreach (SGO)*, Social Goal Services (SGS)*, and - if data is available - Social Goal Change (SGC). The full rating report provides a graded assessment based on four dimensions (as starred in the list). The grades mirror those for credit rating ranging from __++ (Excellent adherence to social mission and values) to __ (Weak adherence to social mission and values/no social mission or values).

M-CRIL also provides 'thinner' (less costly) social rating products if these seem relevant and appropriate. For more information on M-CRIL social ratings visit www.m-cril.com or email Frances Sinha at francesinha@edarural.com.