

# Non-Discrimination: Making Microfinance Institutions Disability Inclusive and Smart Campaign Certifiable

*This FIELD Brief is part of a series produced by the Financial Integration, Economic Leveraging and Broad-Based Dissemination (FIELD)-Support Program. It discusses the Smart Campaign activity under the FIELD-Support LWA to design and test disability inclusive tools and standards at Fundación Paraguaya that can be broadly disseminated and implemented at microfinance institutions around the world. This brief was written by Josh Goldstein, Principal Director of Disability Inclusion at the Center for Financial Inclusion at Accion; Mariel Cabral, Principal Specialist, Accion; and Jimena Vallejos, Project Manager, Fundación Paraguaya.*

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## Introduction

The Smart Campaign is a global movement to embed a set of Client Protection Principles deep within the microfinance industry. The Campaign set out to collaboratively solicit input from a variety of stakeholders and has revised initial assumptions to include the voice of the disability community in addressing disability discrimination.

Indeed, it was the active lobbying of key disability stakeholders from around the world that successfully pushed the Steering Committee of the Smart Campaign to strengthen the non-discrimination language in the client protection principles.<sup>1</sup> This is crystallized in the Fair and Respectful Treatment of Clients principle which emphasizes non-discrimination in broad terms, as well as having concrete policy recommendations on including persons with disabilities.

The Center for Financial Inclusion, in conjunction with the Smart Campaign, endeavored with its founding disability inclusion implementing partner, *Fundación Paraguaya*, to achieve this ambitious goal and create a standard that other MFIs can emulate. Strategic partner, Handicap International, provided technical assistance and expertise involving awareness raising and sensitivity training for increased inclusion and accessibility.

Under the FIELD-Support LWA, the Center for Financial Inclusion at Accion designed and piloted a set of disability inclusive tools and standards at *Fundación Paraguaya* that can be broadly disseminated for implementation at microfinance institutions (MFIs) around the world seeking to become more disability inclusive and Smart Campaign certifiable.

<sup>1</sup>Full list of Client Protection Principles available at <http://smartcampaign.org/about/smart-microfinance-and-the-client-protection-principles>



Persons with Disabilities (PWD) are the largest vulnerable minority population in the world, making up at least 15 percent of the global population. Over 80 percent of these people live in the developing world. The vast majority of PWD have the capacity to make meaningful and self-sustaining economic contributions and yet no more than 0.5 percent of current clients of microfinance institutions are persons with disabilities. Because PWD remain largely unbanked, they are often unable to access the financial tools and services needed to develop small businesses and lead independent lives. This exclusion not only affects the lives of the individuals and their families, it also detrimentally impacts the economic growth of their countries. The World Bank estimates that 5-7 percent in GDP is forgone by the exclusion of PWD from the economy.<sup>2</sup>

The microfinance industry is in a unique position to answer the mandate of the Convention on the Rights of Persons with disabilities (CRPD) to make sure that PWD are not discriminated against when it comes to work and employment, as stipulated in Article 27 of the Convention, by addressing this human and market failure by developing tools and trainings to make microfinance institutions (MFIs) disability inclusive. The two biggest barriers to mainstreaming PWD into the banking systems of their communities are: 1) the widespread belief/prejudice that persons with disabilities are incapable of leading productive lives; and 2) the internalized belief by persons with disabilities themselves that they are destined to be dependent on their families forever.

Other barriers include: the lack of accessible banks, loan officers who do not have the training to identify PWDs who would make good clients or even lack a working definition of “disability” to understand this client segment. The lack of dialogue between financial service providers and disability organizations is another common barrier to effective change.

One of the major goals of this initiative by the Smart Campaign in 2013 to design and test disability inclusive tools and standards has been to demonstrate that MFIs can move towards disability inclusion in an affordable manner without significantly altering their existing standards and practices. Since some MFIs may have limited resources, the activity sought to propose a model of easily adaptable and cost-effective tools and trainings that can help significantly increase the ability of MFIs to meet the needs of PWD in the communities they serve.

***MFIs can move towards disability inclusion in an affordable manner without significantly altering their existing standards and practices.***

With funding from USAID through the FIELD-Support LWA, the main stakeholders for this project were the Center for Financial Inclusion at Accion (CFI), *Fundación Paraguaya*, the Smart Campaign, and numerous national and international disability organizations (DOs), including: *Fundación Saraki*, *Fundación Solidaridad*, *Asociación de Sordos Del Paraguay*, *Agora Paraguay*, *Centro de Sordos del Paraguay*, *ADISSAN*, *Centro Luis Guanella*, *APAQUIPEX*, and *SENADIS*, the National Secretariat for the Rights of Persons with Disabilities. Housed at the CFI, the Smart Campaign is a global movement to embed a set of Client Protection Principles deep within the microfinance industry. This is crystallized in the Fair and Respectful Treatment of Clients Principle which emphasizes non-discrimination in broad terms as well as having

<sup>2</sup> [http://www.who.int/disabilities/world\\_report/2011/chapter9.pdf](http://www.who.int/disabilities/world_report/2011/chapter9.pdf)

concrete policy recommendations on including persons with disabilities. It dovetails with the CRPD's article 27 on Work and Employment.

Although the most immediate and direct beneficiaries of this initiative are *Fundación Paraguaya* and the Paraguayan disability community, the overarching mission and vision of this activity was to foster increased inclusion for PWD across the globe, recognizing that when persons with disability achieve equal rights and access to economic opportunity, civil society as a whole will be the beneficiary.

## The Framework for Disability Inclusion

The CFI, *Fundación Paraguaya*, and Handicap International, together with local Paraguayan disability organizations, developed and tested an actionable set of tools and guidelines to set a best practices standard for the microfinance industry. These tools were designed to be customized to meet the needs of a particular country or region. They include:

- Sensitivity training for staff;
- Institutionalizing non-discrimination policies, such as a code of ethics and human resource manuals, in accordance with the CRPD and the Smart Campaign;
- Guides for how to partner with disability organizations; and
- Materials for training field managers and loan officers.

This [Framework for Disability Inclusion](#) and its related resources, all of which are available for download from the CFI website,<sup>3</sup> was developed with guidance from leaders in both the microfinance and disability inclusion communities and has been refined and tested at *Fundación Paraguaya*, in conjunction with our strategic partner Handicap International. It identifies seven core areas that MFIs need to address to achieve PWD inclusion:

- Universal Design and Reasonable Accommodation
- Partnership with Disability Organizations
- Human Resources Policy and Practices
- Disability Inclusion Staff Training
- Legal Framework
- Technology-Enabled Inclusion
- Financial Capabilities

The Framework integrates all the tools and trainings described in detail below into a series of pragmatic and actionable implementation steps—a "how to" guide. To date, trainings have been developed for three of the above categories: Human Resources Policy and Practices, Disability Inclusion Staff Training, and Partnership with Disability Organizations. The series of trainings developed by Handicap International in partnership with CFI and *Fundación Paraguaya* are designed to help microfinance organizations embed disability inclusion into their daily operations and into their strategic plans. This comprehensive training is divided into the following categories:

- **Awareness:** Raising awareness about disabilities and the rights of persons with disabilities is the first critical step in training staff to become disability-friendly and inclusive. At the same time, it is equally important to educate people with disabilities about microfinance and how financial services may be beneficial to them in starting and developing micro-businesses. This training curriculum is

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<sup>3</sup> <http://www.centerforfinancialinclusion.org/programs-a-projects/pwd/framework-for-persons-with-disabilities>

comprised of a two-day training that allows both the microfinance and the disability sectors to initiate the necessary dialogue for collaboration, and includes PowerPoints for all sessions as well as a trainer's guide. It is designed so that MFIs can conduct awareness trainings without the need for external consultants or trainers. (All materials are available for public download on the CFI website at the link above.)

*Maria Cecilia Mendonça, a Spice Seller and client of Accion Microfinanças in Brazil, provides an example of the economic potential that people with disabilities possess and why MFIs should become more disability inclusive. Photocredit: Accion.*



organizations, and guide loan officers and other staff on how to provide better customer service to persons with disabilities.

- **Field Manager Training:** This packet of trainings educates field office managers on the need to be sensitive to and welcoming of persons with disabilities in their operations. The training covers topics such as Work Integration, Disability and Prejudice, Behavioural Advice for Dealing with PWDs, and how to follow up with clients with disabilities.
- **Focal Persons:** Focal persons are staff members designated by senior management to spearhead the integration of persons with disabilities into an MFI's work plan. They should be trained to identify persons with disabilities as future clients and potential job candidates, reach out and partner with local PWD organizations, and guide loan officers and other staff on how to provide better customer service to persons with disabilities.
- **Human Resources:** The human resource department of an MFI is a crucial instrument for creating a more inclusive environment for both staff and clients. This begins with establishing an institutional code of conduct with key non-discrimination elements that is explained to all staff at orientation. Each human resource department is responsible for instituting non-discrimination practices from the Board of Directors level to the staff level. Human resource departments must also take the lead in hiring qualified persons with disabilities, as well as insuring that people with disabilities are welcomed as future clients. This series of tools advises on and promotes the achievement of an inclusive institution, free of discrimination.
- **Disability Inclusive Policies:** In order for a disability inclusive framework to properly work, it must be embraced by the whole organization. A policy document must be developed that clearly states the MFI's commitment to not discriminate against persons with disabilities, and to seek their inclusion into the organization. This handbook details steps to creating such policies.

## Next Steps from Piloting the Framework in Paraguay

As the implementing agent for piloting the tools developed through this activity, *Fundación Paraguaya* helped to test, refine, and formalize the tools and trainings through the following project activities:

- Selected nine disability focal persons to coordinate inclusion around the country;
- Surveyed staff attitudes towards PWD;
- Trained *Fundación Paraguaya's* Human Resources staff;
- Revised and adapted *Fundación Paraguaya's* code of conduct to be explicit about not discriminating against persons with disabilities; and
- Reached out to local disability organizations to refer clients.

In 2013, the CFI focused on the development and dissemination of the tools and trainings that will make additional progress toward full disability inclusion possible. Throughout 2014 and 2015, *Fundación Paraguaya* will continue to build on the success of the pilot to make the institution more disability inclusive. *Fundación Paraguaya* currently plans to continue the implementation of technological, environmental, and cultural changes and to further disseminate and roll-out disability inclusive trainings, learnings, and policies across the organization.

The Smart Campaign will promote the non-discrimination tools and trainings amongst its partner institutions who wish to be more disability inclusive. Additionally, all Smart Campaign certified MFIs will be required to include PWD inclusion language in their Code of Ethics going forward. Approximately 30 MFIs will engage in the Smart Campaign certification process in 2014, many of which will implement pro-client policies.

The two main challenges during this pilot were establishing a good working definition of disability and increasing the number of clients with disabilities at *Fundación Paraguaya*. In Paraguay, as in many countries, PWD living in rural areas often lack a diagnosis and there is no government issued disability ID card. As part of the project Handicap International developed a questionnaire to help identify PWD and assess their abilities. This assessment helps the loan officer identify a client or potential client with a disability by testing different ability categories and assigning a score to each category tested. This questionnaire is part of the tools and training developed for this activity. The questionnaire is being implemented at *Fundación Paraguaya* to identify and track their efforts with PWD. The assessment is not a diagnosis and does not reflect the type of disability a person has, but it allows the loan officer to identify the existence of a disability.

Besides identifying disabilities, finding potential clients with disabilities that are willing to join microfinance programs is another major challenge. The CFI and *Fundación Paraguaya* discovered early on that in order to reach out to people with disabilities, there needs to be dialogue between the microfinance community and the disability community. *Fundación Paraguaya* provided entrepreneurship trainings and presentations on microfinance to local disability organizations in order to promote the program, as well as invited members of disability organizations to participate in different events offered to *Fundación Paraguaya's* clients. *Fundación Paraguaya* found that it was crucial to engage the disability community in a conversation about the best ways to serve and reach PWD. As an added benefit, after undergoing the trainings DOs can serve as allies in promoting inclusive microfinance by explaining the services offered by MFIs to PWD seeking microfinance services.

*Fundación Paraguaya provided entrepreneurship trainings and presentations on microfinance to local disability organizations in order to promote the program, as well as invited members of disability organizations to participate in different events offered to Fundación Paraguaya's clients*

Ultimately, the success of this initiative must be measured by the ability to increase the number of PWD clients at MFIs in Paraguay and across the globe. Although significant change in the number of PWD clients was not a short-term goal of the activity at *Fundación Paraguaya*, the CFI anticipates that establishing an environment of disability inclusion and initiating non-discrimination dialogue will foster appropriate MFI readiness, sensitivity, and an initial incremental increase in clients with disabilities until full inclusion is realized.

## Dissemination of Experience and Lessons Learned

The tools and trainings discussed above are available for download at no-cost in English, Spanish, and French on the Persons with Disabilities page of the CFI [website](#),<sup>4</sup> the *Fundación Paraguaya* website, and soon on the Handicap International website. The toolkit is open-source and free for any MFI, other financial services provider, or individual with an internet connection.

One of the fundamental goals of this activity was to create highly-customizable tools that can be easily adapted to suit the needs of different MFIs and the cultural contexts of different countries and regions. For this to be successful, MFIs and implementing partners must work in close consultation with key disability stakeholders in every new market. The CFI has already begun this work in India and will implement the adapted tools and trainings at three Indian MFIs in 2014.

In addition, the Center for Financial Inclusion presented the toolkit at the United Nations and the Microcredit Summit, among other venues, and will continue its aggressive advocacy and technical assistance in 2014. The Smart Campaign will also encourage other MFIs interested in Smart Certification to emulate *Fundación Paraguaya*'s leadership in the area of non-discrimination and adapt the tools and deliverables developed through this pilot for their market.

Beyond disseminating the tools developed through the non-discrimination activity, the CFI is pleased to share the following lessons learned:

### 1. Lesson: PWD Preference/Choice

Like any group of individuals, persons with disabilities are a diverse group with varied interests, preferences, and abilities. In group lending settings staff found that some PWD want to be in groups that are made up only of other persons with disabilities while others prefer to be in mixed groups, i.e. persons who do not have disabilities. The CFI recommends that loan officers encourage clients with disabilities to create lending groups that they feel comfortable in and try to accommodate preferences whenever possible.

### 2. Lesson: PWD Identification and Referrals

A key outcome of the non-discrimination activity was developing a disability definition, client questionnaire and assessment, and other tools to help staff identify clients with disabilities. Despite the success of those tools for the majority of cases, identifying persons with psychosocial disabilities remains extremely challenging for loan officers. Even if clients who have received a diagnosis are willing to self-report the percentage of clients with psychological disorders at any institution will likely be inaccurate. The CFI expects that diagnoses will be few and far between as poor and rural clients will not likely have access to psychiatric or robust medical care. MFIs may have to rely upon referrals from disability organizations to identify and serve clients with psychosocial, emotional, or mental disabilities.

Ideally focal persons at each institution will forge strong relationships with local disability organizations. Thus disability organizations may be willing to refer members to MFIs, share member lists, or passively stock MFI marketing materials in their physical locations. This type of cooperation and partnership is vital to providing persons with disabilities access to vital financial services.

Persons with acquired disabilities were more likely to have the confidence and experience to seek out microfinance services than persons who were born with disabilities. As a result, it may be beneficial for

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<sup>4</sup> <http://www.centerforfinancialinclusion.org/programs-a-projects/pwd/framework-for-persons-with-disabilities>

loan officers to point to clients with acquired disabilities who can serve as role models for persons who were born with disabilities. For that reason, MFIs may find it easier to target and accommodate the needs of clients with acquired disabilities in the early stages of becoming a more disability-friendly institution. This is something MFIs should be aware of and should work in concert with disability organizations to seek out persons born with disabilities.

### **3. Lesson: Disability Organizations and Governments**

Despite the fact that a country has ratified the United Nations Convention on the Rights of Persons with Disabilities, government officials and private actors are not always fully aware of their treaty obligations. To further complicate the issue, local disability organizations often work with one segment of PWD – the blind, the Deaf, people with physical disabilities, etc. Unfortunately, specialized disability organizations often do not coordinate their efforts, which can minimize their impact especially when lobbying the government for services and support.

It is critical for disability organizations to ensure that their constituents have business education opportunities and financial literacy. Disability organizations should work together to lobby governments to make sure that the school system adequately prepares its disabled students for the work world. MFIs can also supplement these efforts by making their business trainings or financial literacy programs disability inclusive. Training materials can be offered in Braille, audio/visual components can be closed captioned for the deaf, and programs can target both literate and illiterate participants.

### **4. Lesson: Ensuring Success**

Strong family support is a key factor in the success of clients with disabilities. Such support proves to be the best collateral. It may be encouraging for family members to learn that they too are often economically empowered when MFIs disburse loans to persons with disabilities in their family. Family members often move from being caretakers to business partners or may be able to work independently of the new family business.

Experience from the non-discrimination activities at *Fundación Paraguaya* has shown that naming a focal person at each regional office who specializes in clients with disabilities helps keep the focus on the PWD market as well as serving as a resource for staff. The multi-day sensitivity and awareness training were optimal for the focal person, however multi-day trainings proved to be excessive for most staff. Instead, the focal person can conduct less costly and time intensive trainings for general staff. The presentations and materials developed through the non-discrimination activity will help the focal person conduct trainings without the need to hire external consultants.

Ultimately, increasing the number of clients with disabilities served by an MFI is a key success factor. This will be a slow process, for example an increase from 0.5% to 1 percent of clients over a year-long period would be a significant accomplishment for most MFIs.

## **What's Next?**

When the CFI first introduced the idea of fully inclusive financial inclusion for people with disabilities, the industry responded and asked for a framework to achieve this goal. The creation of these practical and adaptable tools, funded by USAID through the FIELD-Support LWA, helps willing MFIs become more disability-inclusive at low-cost to the institutions.

### **Disability Inclusion in Action**

During the pilot, Thomas Meriaux from Handicap International visited *Fundación Paraguaya* to provide trainings on disability inclusion. During this visit, Thomas encountered an entrepreneur who illustrated the importance of this initiative and the broader goal of disability inclusion. One day in between interviews, Thomas decided to go for a walk to observe the institutional context and digest the details of discussions at *Fundación Paraguaya*. This turned out to be a fortuitous decision, because at the corner of the MFI, Thomas came across a barbershop and decided to go in, as he was in need of a haircut. As Thomas was welcomed by the barber he immediately realized that the barber was deaf. He used the opportunity to apply what he had described to the managers at *Fundación Paraguaya* earlier that day. Thomas faced the barber directly, so that the barber could read his lips, and he spoke slowly with simplified sentences accompanied by explanatory gestures.

The barber indicated that he understood and immediately set about the task of cutting Thomas's hair. Thomas thanked him, paid for the haircut, and headed back to *Fundación Paraguaya*. As it turns out, the barber, Mr. Toñanez, has already been a strong client of *Fundación Paraguaya's* for over two years.

This experience reinforces the idea that with an inclusive environment, a person with a disability is capable of running a business, in spite of popular misconceptions that disability creates barriers. Financial service providers that have awareness of this and incorporate it into strong client care enable financial, economic, and other opportunities for all kinds of people, regardless of condition or impairment.



*An entrepreneur with a disability successfully runs his own barbershop..  
Photocredit: Accion*

The institutionalization of disability inclusion best-practices at MFIs around the world is the long-term goal of this project. Implementing partner, *Fundación Paraguaya*, is fully invested in this long-term commitment to the economic empowerment of persons with disabilities. *Fundación Paraguaya* plans to continue the non-discrimination efforts begun through this pilot into 2014 and 2015. By that time, it is anticipated that disability inclusion will be fully ingrained throughout the organization.

The CFI is currently working with three Indian MFIs to assist them in their commitment to becoming more disability inclusive. It remains to be seen whether or not more MFIs across the globe will join these pioneers. Achieving broad-reaching financial inclusion for persons with disabilities will require the continued support from the leading actors in the development community in the short-run. However, with the production of these tools the CFI is strengthening the business case that significant progress toward PWD inclusion is possible in a cost-efficient and easily replicable manner.

MFIs that adapt the tools and learnings of this pilot to their needs will be poised to improve access to economic opportunity for PWD and access a larger client base. Ultimately, it is not only moral, but is in the best interest of the financial services industry to become disability friendly. The CFI is convinced that the world has arrived at an inflection point, where the rights of persons with disabilities will find increased recognition at microfinance institutions around the world. The development and dissemination of these tools, reports, and learnings reduces barriers for MFIs interested in disability inclusion.