

Introductory Session: Welcome to the Universal Standards Implementation Series



Speaker: Yamini Annadanam

16 October 2014

Agenda

- Overview of the Implementation Series
- Definition of Social Performance Management (SPM)
- Five-step framework for improving SPM
 1. Learn
 2. Assess
 3. Plan
 4. Implement
 5. Report
- Overview of the Responsible and Inclusive Finance (RIF) Working Group
- Discussion with Participants

Meet your Facilitator!



Yamini Annadanam
Independent Consultant

A development practitioner with over eight years of experience working in the microfinance and development sector.
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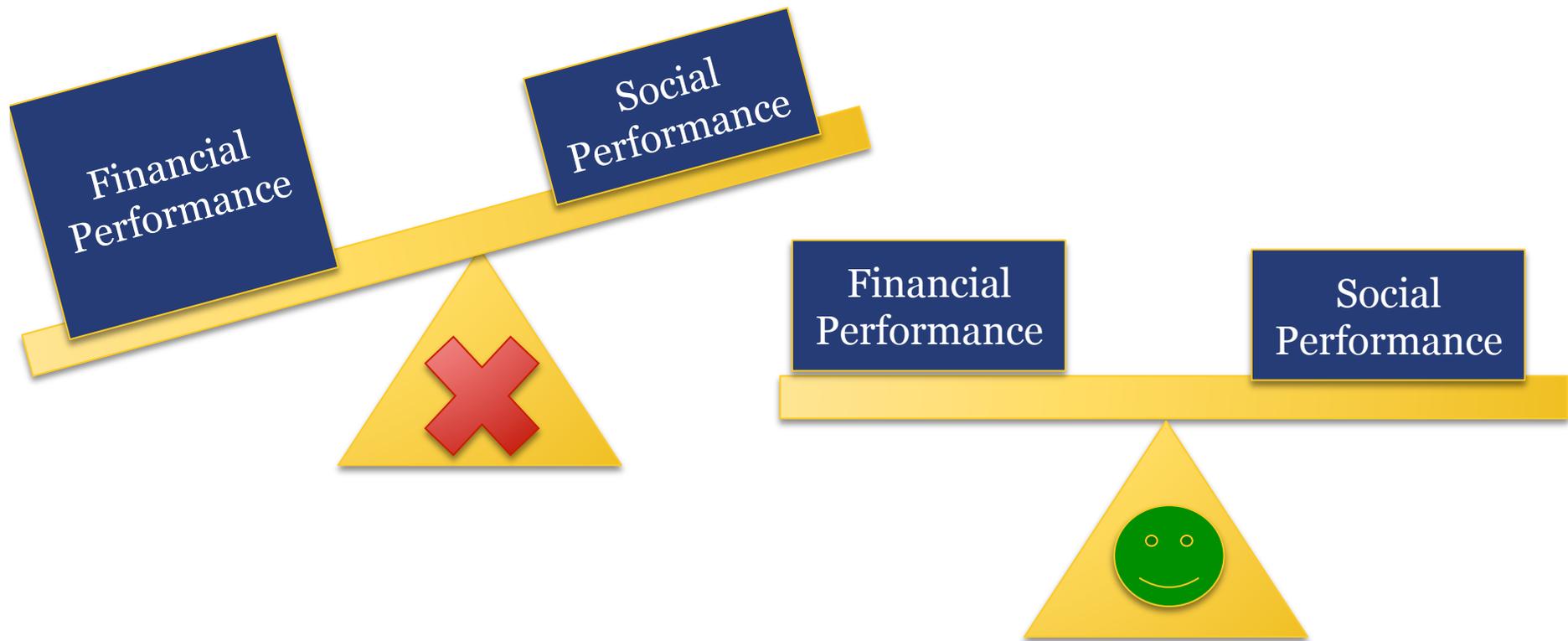
What can I expect from the Implementation Series?

- Seven modules: introduction, dimensions 1-6
- Guest speakers share experience from the field on how to implement good practice
- Time during each session for questions and debate
- Information on additional resources
- Schedule: autumn 2014 – spring 2015
- Certificate offered for completion of all 7 modules

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What is social performance management and why is it important?





More on the importance of SPM: The advantages of a client-centered business

- Tailored products and services that provide value to clients
- Ability to fulfill the mission
- Differentiation in competitive markets
- Staff satisfaction/retention
- Demonstration of client outcomes

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A pathway to better practice



- **Learn**—Read the Universal Standards Manual
- **Assess**—Use the SPI4 to conduct a social audit
- **Plan**—Create an action plan; prioritize gaps to address
- **Implement**—Improve practices prioritized in the action plan
- **Report**—Demonstrate your results to internal or external stakeholders.



**Comprehensive
manual of best
practices**



**By and for
people in the
field**



**Resource for
achieving social
goals**



**Credibility for
institutions &
industry**



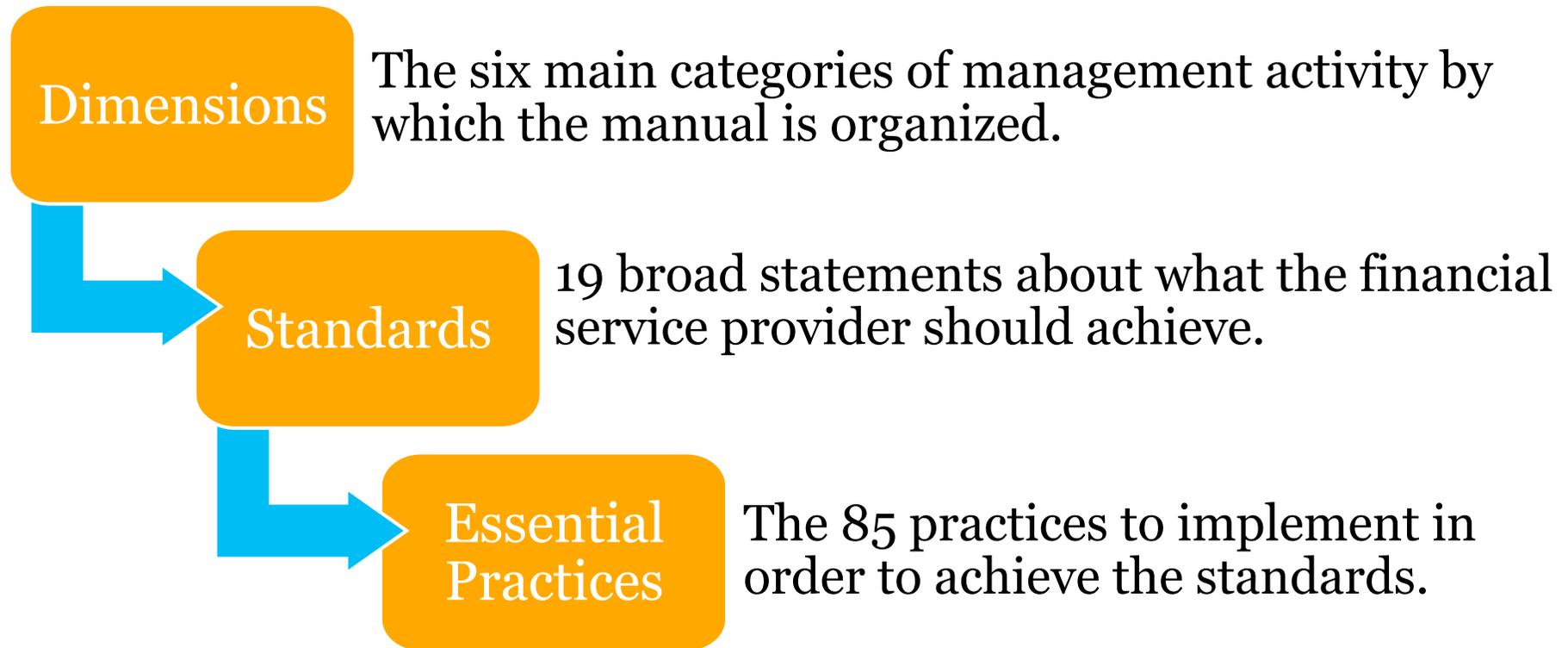
**Realistic
implementation
process**

There are 19 standards, organized into six dimensions.

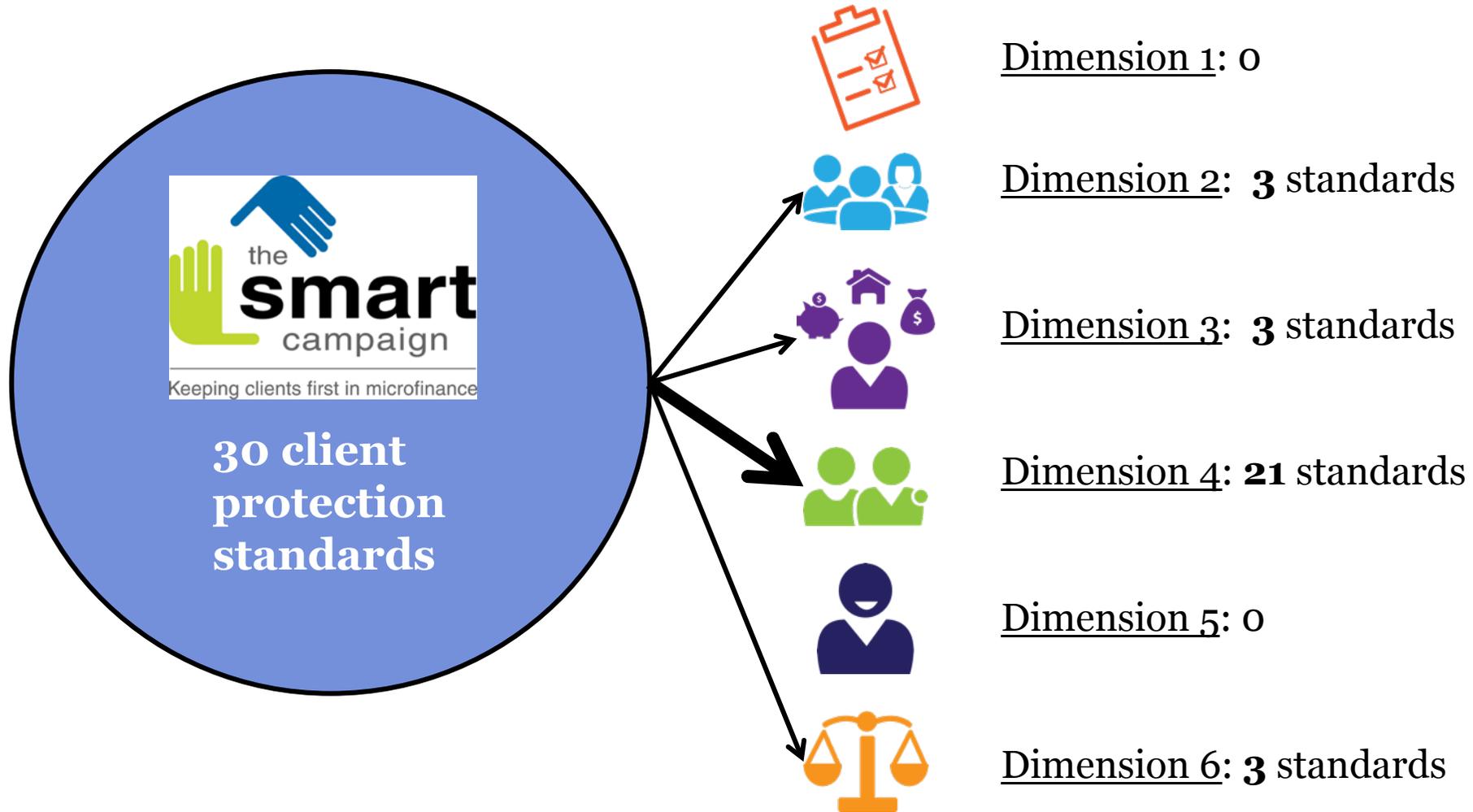
They incorporate learning from many initiatives in our sector.



Hierarchy within the Universal Standards



Integration of Smart Campaign client protection Certification standards into the Universal Standards of SPM



Dimension 1: Define and Monitor Social Goals

Standard

1b: The institution collects, reports, and ensures the accuracy of client-level data related to the institution's social goals.

Essential Practices

1b.1 The institution collects data for each of its social goals and the MIX social performance indicators.

1b.2 The institution has protocols for the collection, quality control, analysis, and reporting of social performance data.

1b.3 The institution ensures the quality of the data collected by validating its data and training its employees on data collection and entry.



Introduction to the CERISE Social Performance Indicators (SPI) 4



What is the SPI4?

- The common data collection and assessment tool for the Universal Standards of SPM
- A social audit tool that allows financial institutions to analyze their current SPM practices in a way that fits their budget and preferences
- A customizable tool that can be tailored to the institution's mission through optional modules on poverty, gender, and environment
- A reporting tool

What the SPI4 is not:

- A rating
- Something you can do in a couple of hours
- Expensive

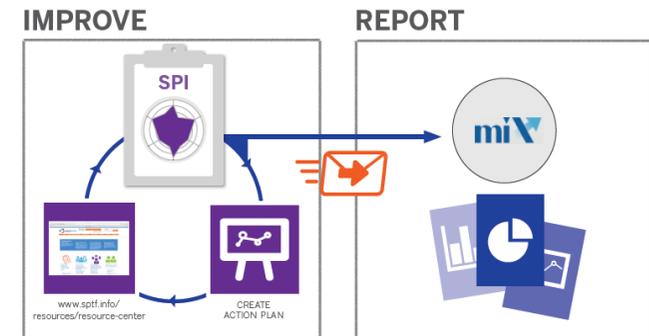
Goal: Reducing the Reporting Burden on MFIs



The reporting burden on MFIs is high.

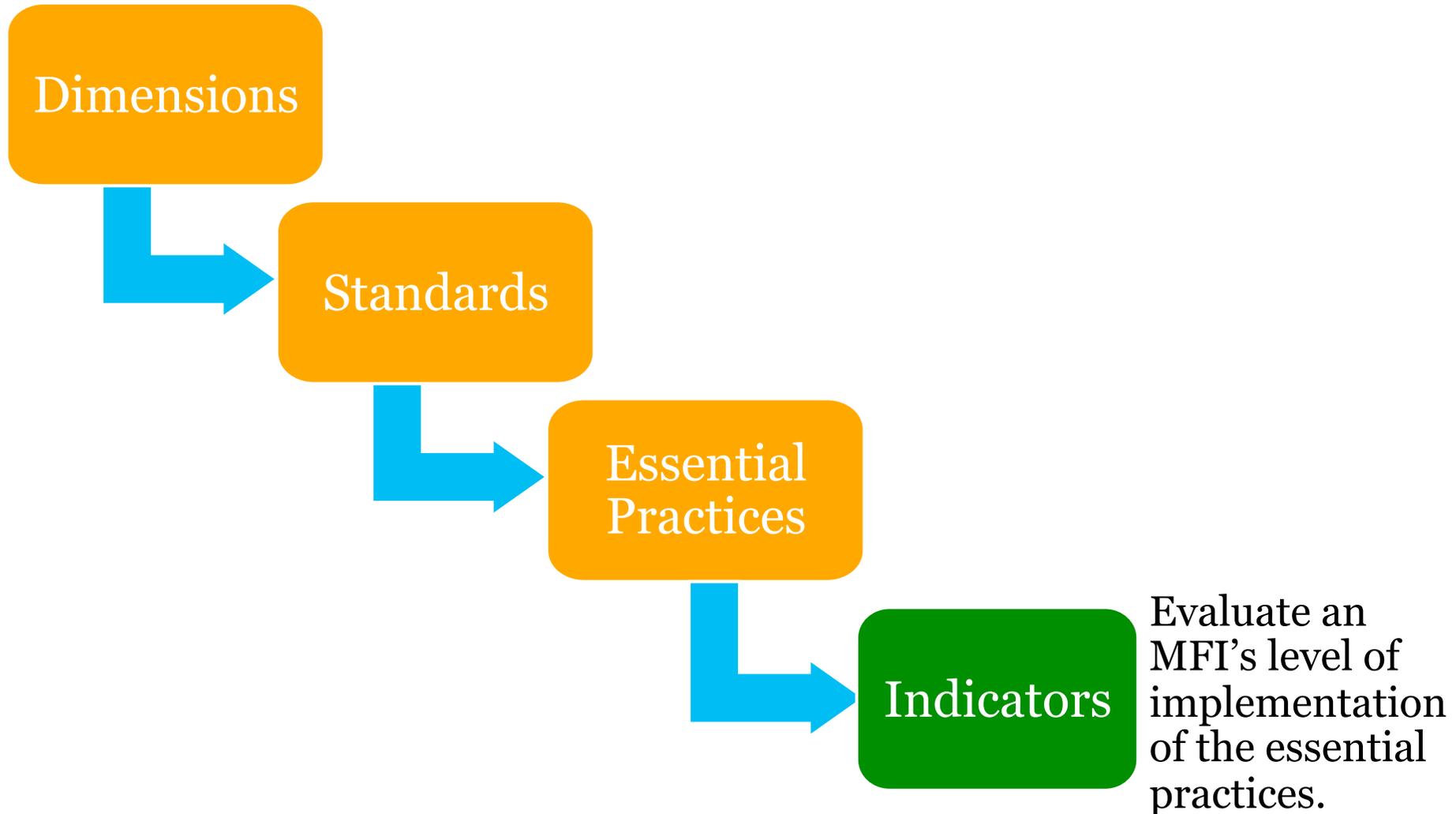
Investors' due diligence

Each initiative requires a different report.



SPI4 standardizes reporting across stakeholder groups and thereby reduces the burden on MFIs.

The SPI4 evaluates the Universal Standards based on indicators



SPI4 Example: Indicators for Essential Practice 5a.1

Essential Practice	5a1	A written HR policy is available to all employees.
Indicator	5a1.1	All employees have access to an up-to-date copy of the HR policy.
Indicator	5a1.2	HR policy is compliant with national labor laws.
Indicator	5a1.3	HR policy includes a transparent salary scale.

CERISE's SPI4 Web Page

CERISE

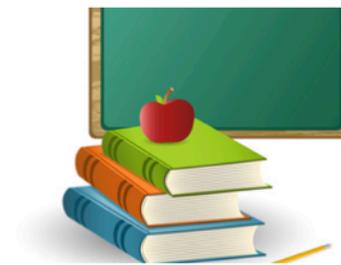
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DOWNLOAD SPI4



CONDUCT AN AUDIT



GET TRAINED

POWERED BY SQUARESPACE

Access the page at: <http://cerise-spi4.squarespace.com>

Dedicated email address for questions: spi4@cerise-microfinance.org

Getting started with SPI4 v.1.1

Screenshot of a Microsoft Excel spreadsheet showing the SPI4 v.1.1 interface. An orange arrow points from the Excel title bar down to the application header.

The application header includes logos for CERISE, smart, SPI4 - Social Performance Indicators, mix, and Social Performance TASK FORCE.

Beta version 1.1.0 (Sept. 2014)

The SPI4 assesses the ability of an institution to achieve its social mission. Structured around the six Dimensions of the Universal Standards for Social Performance Management, which include the Client Protection Certification Standards, the SPI4 is also compatible with MIX social performance data collection requirements.

PLEASE REMEMBER TO ACTIVATE THE MACROS BEFORE STARTING !

Select your language: English

1 - INDICATE YOUR CONTACT INFORMATION

Date of completion:
Contact person from the FI:
Position:
Organization:
Country:
Tel:
Email:
Type of assessment:
Name & organization of auditor:

2 - ADAPT TO YOUR MISSION FOCUS

The SPI4 will automatically open to the Core Questionnaire. The Core Questionnaire assesses the Universal Standards (which include the Client Protection Standards). If you have a specific mission focus, you can add modules for a deeper analysis in this area. The current version (1.1.0) includes Green and Gender modules. SPI3 and the Poverty lenses will be finalized in few weeks (version 1.1.1). Other lenses are under construction and should be available early 2015 (version 1.2).

Please select the additional module(s) that you want to fill in:

SPI 3 (CERISE)
POVERTY (Truelift + Grameen Foundation)

3 - IMPORT FROM OTHER TOOLS

If you have already filled in other Social Performance Assessment tools that are compatible with SPI4, you can import your answers or scores. Please click on the relevant button to go to a page where you will find detailed instructions.

Smart Campaign Assessments
MixMarket

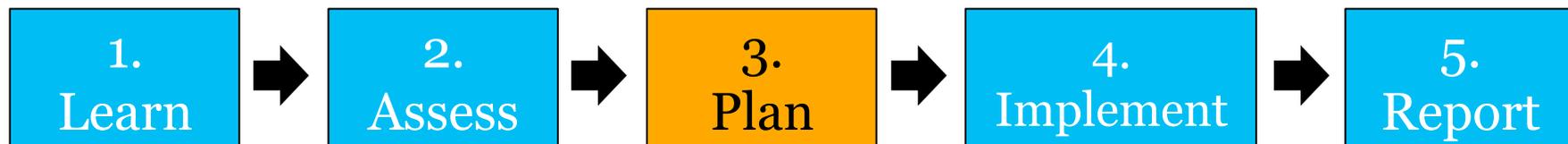
4 - FILL IN THE INFORMATION

ORGANIZATION INFORMATION
QUESTIONNAIRE

5 - SEE THE RESULTS

UNIVERSAL STANDARDS
CLIENT PROTECTION STANDARDS

Make a Plan!



Action Plan: Purpose & Key Elements

- **Purpose:** Create a detailed plan to improve the weak practices revealed by the social audit.
- **Key Elements:**
 - Prioritization of gaps
 - Timeline for each step
 - Staff responsibilities
 - Outputs for each step
 - Budget allocated
- **Example of**  **Contactar**
Microfinanzas a su alcance

Sample Action Plan

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
1	Summary of Evidence and Recommendations			Agenda												Output	Persons in charge	Department
2				Year 1														
3				M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12			
4	0	0.1	Finalise Action Plan													Action plan shared	SP Comittee	CEO/ board
5	1	1.1	Verify available information in MIS														SP Champion	IT
6	Systematize information on clients	1.2	Discuss indicators, potential results to be analysed, use of information														SP Comittee	
7		1.3	Generate the indicators chosen														SP Champion	IT
8		1.4	Discuss which indicators (agregation/ventilation) would be useful													list of indicators	SP Comittee	
9		1.5	Adaptation & adjustments														SP Champion	IT
10		1.6	Draft report based on client information														SP Comittee	IT
11		1.7	Draft report based on client information													annual report	SP Comittee	GG/ Fin.
12		1.8	Finalisation of a social scorecard for the Board & senior management													Social DB	SP Comittee	GG/IT
13		2	2.1	Analysis of current practices														SP Comittee
14	Complaints mechanisms	2.2	Define a process for complaints procedures														SP Comittee	
15		2.3-2.5	Manual for complaints management													Procedures	SP Comittee	Operations
16		2.6	Information to clients on the complaint mechanism													Clients aware		Marketing
17		2.7	Training of the loan officer													Staff aware		HR
18		2.8	Use of results from clients													Improve products		Marketing

Template for action plan:

<http://spi4wiki.pbworks.com/w/file/80199431/example%20Action%20Plan%20MFIA.xlsx>

Improve Practice



Take Action: Use the Implementation Guide!

The Implementation Guide:

<http://sptf.info/spmstandards/universal-standards>

Use this guide to strengthen social performance management (SPM) practice at your institution, or to support and evaluate the SPM practices of your partners and investees.

- **In English:** [Universal Standards Implementation Guide](#)
- **En Français:** [Le Guide de Mise en Oeuvre des Normes Universelles de GPS - version provisoire \(septembre 2014\)](#)
- **En Español:** [La Guía para la Implementación de los Estándares Universales para la Gestión del Desempeño Social \(GDS\)](#) ofrece una detallada guía para las instituciones financieras acerca de cómo implementar las practicas que se encuentran en los Estándares Universales. Utilice esta guía para mejorar la GDS en su institución, o para apoyar las practicas de GDS de sus instituciones miembro/asociadas o de las instituciones en las que invierte.

Take Action: Use the Resource Center!



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Select Language | ▾

Search...

- Home
- Universal Standards for SPM
- Online Trainings
- How Do I Start?
- SP Tools
- Resources
- SP Task Force

Featured Items

Universal Standards Implementation Guide

The Universal Standards Implementation Guide offers comprehensive guidance to financial institutions on how to implement the practices found in the Universal Standards for Social Performance Management.

Human centered design toolkit

This open-source toolkit walks users through the human-centered design process and supports them in activities such as building listening skills, running workshops, and implementing ideas — all of which can generate insights into clients' lives that can be turned into effective product design.

Microfinance index of market outreach and saturation

The Microfinance Index of Market Outreach and Saturation is an analysis of credit market capacity using the Global Findex dataset, offered by Planet Rating.

SPI4 Assessment Tool

The CERISE SPM is a social audit tool that can be used for reporting and performance management, to assess level of implementation of the Universal Standards.



**Dimension 1:
Define and monitor social goals**

- 1. Strategic management toolkit handbook
- 2. Imp-Act Indicators practice note



**Dimension 2:
Ensure board, management, and employee commitment to social goals**

- 1. Governance guidance



**Dimension 3:
Design products and services that meet clients' needs and preferences**

- 1. Portfolios of the poor



**Dimension 4:
Treat clients responsibly**

- 1. Avoidance of over-indebtedness: Guidelines
- 2. Calculating transparent pricing tool
- 3. Client complaint

Internal and External Reports



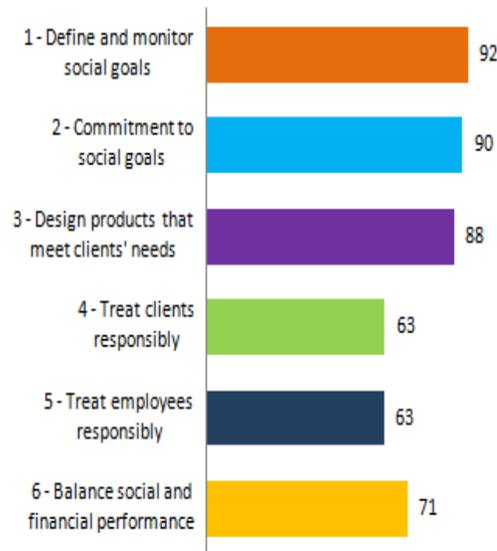
View: Universal Standards Report

USSPM

Welcome Page

UNIVERSAL STANDARDS REPORT (1/2)

Second Universal Standards report



Level	Number	Label	Score
Dimension	1	DEFINE AND MONITOR SOCIAL GOALS	56
Standard	1 a	The institution has a strategy to achieve its social goals.	60
Essential Practice	1 a 1	The institution's strategy includes a formal mission statement, which includes increasing access to financial services for vulnerable or excluded target groups and creating benefits for these clients.	75
Essential Practice	1 a 2	The institution's strategy defines the specific characteristics of its target clients.	63
Essential Practice	1 a 3	The institution's strategy defines social goals.	50
Essential Practice	1 a 4	The institution's strategy defines measurable social targets for client-level outputs and outcomes.	50
Essential Practice	1 a 5	The institution's strategy defines social indicators to measure progress toward social goals.	50
Essential Practice	1 a 6	The institution's strategy articulates how its products, services, delivery models and channels will achieve its social goals.	75
Standard	1 b	The institution collects, reports, and ensures the accuracy of client-level data that are specific to the institution's social goals.	52
Essential Practice	1 b 1	The institution collects data for each of its social goals and the MIX social performance data.	50
Essential Practice	1 b 2	The institution has protocols for the collection, quality control, analysis, and reporting of social performance data.	44
Essential Practice	1 b 3	The institution ensures the quality of the data collected by validating its data and training its employees on data collection and entry.	50
Essential Practice	1 b 4	The institution's management information system disaggregates data by gender and other client characteristics.	50
Essential Practice	1 b 5	If the institution states poverty reduction as one of its social goals, it monitors the poverty levels of its clients using a poverty assessment tool.	66
Essential Practice	1 b 6	The institution discloses social performance information, including the MIX Social Performance data.	50
Dimension	2	ENSURE BOARD, MANAGEMENT AND EMPLOYEE COMMITMENT TO SOCIAL GOALS	56
Standard	2 a	Members of the board of directors hold the institution accountable to its mission and social goals.	54
Essential Practice	2 a 1	The institution provides board members with an orientation on the social mission and goals and the board's responsibilities related to the social performance management of the institution.	54
Essential Practice	2 a 2	The board reviews social performance data, including: mission compliance, performance results, human resource policy, social performance related risks, client protection practices, growth, and profit allocation.	67
Essential Practice	2 a 3	The board uses social performance data to provide strategic direction, taking into account both social and financial goals.	50
Essential Practice	2 a 4	The board incorporates social performance management criteria into its performance evaluation of the CEO/Managing Director.	50
Essential Practice	2 a 5	The board has a documented strategy to prevent institutional mission drift during changes in ownership structure and/or legal form.	50

Two report types

↑ Graphical presentation by dimension

→ Score out of 100 for all essential practices

View: Social Dashboard

SOCIAL DASHBOARD

MFI A

Bosnia and Herzegovina

Dec-13

SOCIAL MISSION

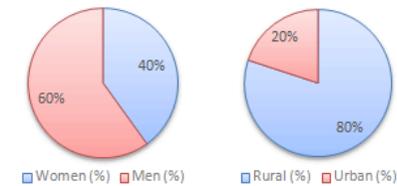
La mission de notre coopérative est d'apporter un appui financier à nos membres et permettre le développement de ceux-ci.

SOCIAL OBJECTIVES

- 1 Increased access to financial services
- 2 Poverty reduction
- 3 Development of start-up enterprises

FINANCIAL SERVICES

Loans	Yes	(2/5)
Active borrowers	250 000	
Outstanding loan balance per borrower	39%	of GNI per capita
Interest rate method	Declining	
Average APR	45%	per year
Borrower retention rate	109%	
Microcredit loans for microenterprises	Yes	
Microcredit for other household needs/consumption	Pilot	
SME loans	No	



Deposits	Yes	(2/5)
Active depositors	250 000	
Checking accounts	Yes	
Voluntary savings accounts	Pilot	
Compulsory savings (cash collateral)	Yes	
Fixed term deposits	Pilot	
Special purpose savings account	Yes	

Loans for agriculture	Yes
Loans for education	Pilot
Housing loans	No
Voluntary insurance	Yes (1/ 5)
Compulsory insurance	Yes (1/ 2)
Payment services	Yes (1/ 6)

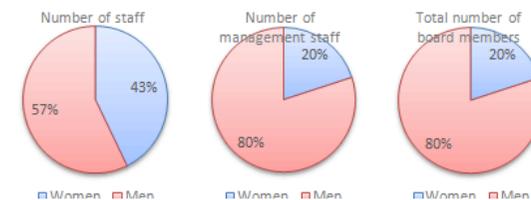
NON FINANCIAL SERVICES

Enterprise services	Yes	Health services	Yes
Education services	No	Women's empowerment services	No

STAFF AND BOARD COMPOSITION

Staff turnover rate	5%
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Diversity of Board Members
Board members from xx / xx categories



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Responsible Inclusive Finance

Responsible Inclusive Finance is the provision of financial services in a way that targets excluded people, protects the interests of clients, and protects the mission and sustainability of the institution.



Responsible Inclusive Finance Working Group



Collaborating to streamline efforts, avoid duplication and reduce confusion on the various resources and tools related to responsible inclusive finance.

The ultimate goal



More institutions better equipped to achieve their social goals— and meet the needs of their clients.

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Thank you for your attention!



Please join us next month for a discussion about
how to improve practice in:
Dimension 1: Define and Monitor Social Goals