

Dear Friends,

Microfinance has not escaped the international crisis, but it is resisting well. As we have already seen, institutions with strong social performance are more resilient in times of turmoil.

- They know their clients better.
- They maintain relationships of trust and proximity.
- They are careful to avoid overindebtedness.
- Their have good reputations.

In the long run, these qualities become business assets and can save an institution during a financial downturn. These lessons show that despite a difficult context, microfinance has made progress in being accountable and attentive to social and economic development.

Great headway is being made in terms of social responsibility—i.e., the development of a sector that safeguards against negative effects and ‘does no harm’—with the campaign for client protection principles. Social performance—i.e., building the capacity of marginalized populations by offering well-adapted services, thus ‘doing good’—is also moving forward, with the MIX Market’s adoption of the Social Performance Standards, reflecting an increasingly coherent approach to improving social impact. Finally, more and more investors are turning to these kind of social performance tools to verify their own impact.

Member and Partner Activities

Africa

The West African *Confédération des Institutions Financières (CIF)* has launched a process to improve its social performance. With six affiliate MFIs (Kafo Jiginew, Nyèsigiso, Mali; FECECAM, Benin; FUCEC, Togo; PAMECAS, Senegal; and RCPB, Burkina Faso), CIF represents more than two million members. CIF is examining the practices of its affiliates based on social audits, discussions with staff and elected officials, feedback on social performance findings from General Assemblies and the formulation of a reporting format to follow key social performance data.

INAFI organized a training session on assessing social performance in Dakar (March 2009, INAFI partners from Senegal and Benin) using the SPI tool and INAFI’s SIM tool.

Across the continent, MAIN continues to train in social performance: Pioneer of social performance training in Africa (Abidjan 2004, Kigali 2005, Yaounde 2005, 2006, 2008, Bujumbura 2007, Pretoria 2007), MAIN continues its efforts, organizing a training workshop in Lomé on 2010 for Togolese and Beninese partners

In Benin, progress is made in standardized reporting of social and financial performance. The professional trade association, *Consorsium Alafia*, has published on its website a report with the social and financial performance assessments for 23 institutions.

Ethiopian MFI Buusaa Gonofaa, founding member of Prospera, received the European Award for Responsible Microfinance for developing a poverty scorecard that crosses data on client poverty levels, satisfaction and retention rates.

In Tanzania, TRIAS is organizing a training session on social and financial performance management. 22-27 June 2009, with MFIs from East Africa.

Marrocco and Niger. Aquadev combines social audits with impact studies: With the help of CERISE, Aquadev is

setting up an impact assessment tool based on the SPI to improve social performance.

Latin America and the Caribbean

In Nicaragua, *ForoLacFr* organized an international seminar in March on regulation and public policies for rural finance and social performance. ForoLacFr brings together trade associations from all over Latin America, and organized this event with its Central American homologue *REDCAMIF* and the national network *ASOMIF*.

Guatemalan network *Red Facso* organized a seminar in March on rural finance with Katalysis and ForoLacFr, with a focus on social performance. Red Facso, with the support of *SIDI*, also recently completed a multi-year workplan to build member capacity in social performance.

In the Dominican Republic, *CEFEB* and *l’AFD* organized a training session on rural finance, social performance and housing finance, with the participation of CERISE. The training brought together managing directors from the country’s main MFIs.

In Ecuador, RFR is making progress towards a transparent social performance reporting system: RFR continues the work it started in 2007 to develop a Social Responsibility System to track social performance of Ecuadorian microfinance. RFR received international recognition for its efforts, as finalist of the European Award for Responsible Microfinance. See the website of *eMFP*.

Asia

Cambodia MFI Chamroeun, with support from *Entrepreneurs du Monde*, is using a social performance monitoring system based on the SPI and a poverty assessment tool. The system detects changes to clients’ socio-economic situations and highlights the changes necessary to improve impact.

The Cambodian association of microfinance organized a training session on social performance assessment and reporting in February with the help of the Swiss cooperation.

INAFI organized a training seminar in Bangladesh on social performance assessment for its Indian, Bangladeshi and Nepali partners, using the SPI and INAFI's SIM.

CRS SME facilitated training workshops in Bangkok in October 2008 with 41 participants from Thailand, India, Japan, Laos, Malaysia, Peru, Philippines and Sri Lanka. Another workshop was held in Kuala Lumpur in March 2009 with 50 participants from Bangladesh, Nepal, Philippines, Brazil, Cambodia, China, India, Indonesia, Japan, Malaysia, Sri Lanka and Vietnam. These workshops led to the founding of a ProsperA working group in Asia. The participants are currently working on bringing social performance transparency to social enterprises that work in the garment industry.

International

Oikocredit, has refined an innovative tool that combines social performance assessment of its MFI partners and social auditing of its own practices. Oikocredit, the world's second largest microfinance investor, promotes this approach to social performance along with poverty assessments and impact studies.

The Grameen-Crédit Agricole Foundation decided to include social evaluation in its investment decisions starting in May 2009. The Foundation has a 50 million euro investment fund whose due diligence procedures now include a complete social evaluation framework that will be used to measure and track changes to its investees' social performance.

Now Available: SPI version 3.1

The SPI is the most popular social performance audit tool in microfinance, with over 200 MFIs using it around the world. Thanks to contributions of partners, investors and donors, a new version of the SPI is now available.

- Fully compatible with MIX Social Performance Standards
- Closer analysis of interest rate issues
- Includes indicators on the Client Protection Principles
- Stronger focus on environmental responsibility

Special thanks to ForoLacFr for the Spanish translation.

Recent publications

Discussion papers

www.cerise-microfinance.org

- DTN⁴ Comparing results of social audits, impact studies and satisfaction surveys (Finruel-Bolivia)
- DTN⁵ Social performance transparency : case study of RFR in Ecuador
- DTN⁶ Social evaluations by investors - Oikocredit
- DTN⁸ Use of SPI by networks- ForoLacFr
- DTN⁹ Social audit and poverty assessment in Albania
- DTN¹⁶ External audits with SPI
- DTN¹⁷ Valuing social performance of microfinance investment vehicles
- DTN¹⁹ Relationship between social and financial performance in microfinance

Other publications on Social Performance

[European Dialogue: social responsibility in microfinance](#)
eMFP (www.microfinance-platform.eu)

[SEEP : Social performance governance](#)
SEEP Network (www.seepnetwork.org)

[Social Performance map \(with SPI as Social Audit Tool\)](#)
SEEP Network: (www.seepnetwork.org)

What is Prosper@?

Prosper@ is an operational network of microfinance actors that aims to promote a culture and practices of social performance, based on the experience and the initiatives of its members, via capacity-building of MFIs and local networks.

Prosper@ endorses several objectives:

- targeting of the poor and the excluded
- improving services to meet the needs of target groups
- building the capacity of clients, especially in terms of social capital, and;
- promoting social responsibility toward workers, clients, the community and the environment.

The Alliance coordinates exchanges and joint action on the basis of the SPI tool and the initiatives of its members, particularly governance, impact and social performance assessment.

Prosper@ members: almost 5 millions clients reached

Réseaux: ForoLacFr, Latin America ; Alpimed, Salvador ; FINRURAL, Bolivia ; RFR, Ecuador; Colmena Milenaria, AMUCSS, Mexico; KNFP, Haiti ; CIF, Burkina-Faso; Consortium Alafia, Benin; APIFM Madagascar; Space Philippines ; Pamiga, Africa

IMF: Crecer, Promujer, Bolivia ; Finca, Peru ; Pilarh, Honduras; Sefia Mexico ; REFICOM-CDRO, Fafides, Guatemala; ASC Union, Albania ; Adie France ; CRG Guinea ; INMAA, Maroc; Buusaa Gonofaa, Etiopia; Pamecas Senegal; RCPB Burkina-Faso; Fucec Togo; Fececam Benin; Kafo Jiginew, Nyesigiso, CVECA Kayes, Mali; Vola Mahasoa Madagascar; ASHI, VEDCOR, Uplift, Philippines; Bina Swadaya Indonesia ; CCSF, Cambodia, etc.

Organisation d'appui : CSR-SME, Philippines, FIDEV, Madagascar , Aquadev, TRIAS, Belgium; CERISE, CIDR, CIRAD, Entrepreneur du monde, IRAM, IRC, GRET France

Bailleurs et investisseurs : SIDI, Grameen-Crédit Agricole Foundation, France; Oikocredit, Netherlands; Incofin, Belgium, Swiss Cooperation (Sdc), Fph, Ifad, Argidius, etc.

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