

Dear Friends,

As we sensed in our last Newsletter, current events are putting social performance at the heart of the concerns of the microfinance sector. The Pocantico Declaration, the most recent edition of MicroBanking Bulletin and the European Dialogue of the e-MFP Platform, all of these attest to the success of efforts undertaken by the pioneers in promoting social performance regrouped in particular in Prospera.

However, challenges remain and Prospera must continue to be a forthright messenger in order to consolidate a microfinance that keeps its promises on development. To be viable, social performance must not be achieved at the expense of financial performance, but in synergy with it. We should also remember that whilst social performance implies outreach to the poor and consumer protection. Nevertheless other elements must also be taken in account: social exclusion, adaptation of services, strengthening social links, participation, local development, environment, etc. In order to get ahead of these issues, it is important that all the protagonists play the social performance game: MFIs and their networks, and also donors, investors and supervisory bodies.

Latin America and the Caribbean

Since the Oaxaca meeting (2007), the member networks of [Foro Lac Fr](#) have made considerable progress in coordination with the Foro Lac team, the Misión Project and [Trias](#). 45 evaluations of social performance (SPI) have been carried out in Bolivia, Ecuador, Guatemala, Honduras, Haiti, Panama, Peru and El Salvador.

The results have allowed the MFIs to conduct strategic reflections with the stakeholders involved (clients, elected representatives, employees, donors and investors) and some have found them useful in acquiring new financing. In countries where the issue of regulation in the sector is particularly sensitive (Bolivia, Ecuador, Mexico), these elements give concrete arguments to the national networks in consolidating the relationship with their governments, and carry some weight in favour of improving the regulatory frameworks.

In Bolivia, the [Finrural](#) MFI network, the CIOEC farmers' organisation committee, Cerise and [Agrofine-Max Havelaar](#), coordinated a workshop targeting better access to financial services for small producers in the context of fair trade.

Asia

[Oikocredit](#) carried out several SPI evaluations among its Asia partners.

Space and CsrSme along with several MFIs (Proximity Funding, Seed, Icdc, and Uplifft) assessed their social performance (SPI) and prepared operational strategies for improvement.

In Cambodia, the Chamroeun MFI for its part put a monitoring mechanism of Social Performance in place (based on SPI), with the support of Edm.

In Pakistan, several MFIs alongside cooperation from Switzerland used SPI in the framework of their strategy of promotion of social performance.

Africa

In Madagascar, the Vola Mahasoia and TITEM MFIs used SPI to support a strategic reflection on their social objectives. The SIPEM MFI tested the MIX social indicators and carried out a vulnerability analysis of its clients with the support of Sidi.

In Burkina Faso, the Cveca networks in Boucle du Mouhoun and Soum regions, along with the [Cidr](#) and [Pamiga](#), carried out SPI analyses.

In Benin, the [Alafia](#) Consortium realized SPI trainings with staff of 5 MFIs and organizes a ToT programme on governance, in association with Capaf. Moreover, Alafia moves on toward integration of SPI in MIS, in collaboration with national networks of Niger, Rwanda, Senegal and DRC.

In Niger, Asusu, Kokari and Kaani implemented social performance assessments (SPI) with the support of their partner Aquadev, linking it with strategic planning, relation with stakeholders, MIS and management issues.

In May, the main donors in Western Africa met with Cgap and the Cbwas in Bamako to underline the need to support the social performance of MFIs in the region.

A book on CIF members (6MFIs from 5 countries, 2 millions clients) was published by [Karthala](#), that brings a fascinating point of view on governance, rural finance and balance between economic and social project.

Europe

In Albania, the ASC Union tested the MIX social performance indicators, combining this study with an application of the [PAT tool](#) of Iris-Usaid. The new tools for evaluating poverty allow for an inexpensive and functional evaluation of client poverty, however, improvements are still necessary to create instruments which are adapted to the concerns and constraints of practitioners (rural intervention, SME, social exclusion etc.).

The social performance working group of e-MFP [European Microfinance Platform](#) coordinated the development of a new edition of European Dialogue journal, dedicated to the role of investors in the promotion of social performance in microfinance. The principal investment funds in the sector participated in this document and it shows the extent to which this problem has become central to their activity.

Several training sessions were held into the evaluation of microfinance social performance in Brussels, Montpellier, Nancy and Paris.

CERISE and [Farm](#) are finalizing a guide for partnerships between MFIs and farmers' organisations, with contributions of SOS Faim, Iram, Irc, Sidi, among others.

New SPI version 3.0 !

On the basis of experience built up over two years of use by over a hundred MFIs, and thanks to contributions from many partners (Aquadev, ForoLacFr and its members, Freedom From Hunger, Oikocredit, Profin, Sidi, and so many others) the new SPI version 3.0 has been finalized in June. It offers simpler formulations, compatibility with MIX indicators of social performance, a more balanced valuation of economic and socio-political benefits for clients and takes current themes in the sector into account (interest rates, consumer protection, environment)

ProsperA's international agenda on social performance

Several of ProsperA's partners took part in the experiment on Mix Market's Social Performance indicators, and their findings will be analyzed at the SPTF meeting from the 16th to the 18th of June in order to finalize the list of social indicators that will be the subject of regular international reporting. Starting from analysis of its members' findings, ProsperA undertakes to push for only simple indicators that are adapted to the practitioners and which can be interpreted at the Mix level to be retained.

Thanks to the large number of SPI results gathered from all over the world (over 100), a quantitative study was conducted into the relationship between social and financial performance (Latin America sample), and it shows differentiated correlations according to the dimension of the social performance: targeting the poorest and most excluded tends to induce higher operating costs, but adapting services to their needs, social participation and responsibility have clear positive effects on reducing overdue payments, improving productivity and cutting operational costs. This work will be updated with the new SPI data collected.

The joint implementation of SPI and an analysis into governance was trialled successfully in various countries (notably in Mexico, Bolivia and in Guinea) allowing the generation of a wealth of learning for partners to improve their practices and to strengthen their governance in favour of their social mission. This work will be pursued with many partners notably in Western Africa.

The cross analysis between impact studies and SPI studies (Bolivia) allowed it to be confirmed that some MFI practices cause specific effects among clients, thus validating several hypotheses on links between process and results. Other countries and studies of MFIs will allow deepening of these links.

What is ProsperA?

ProsperA 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. ProsperA 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 with respect to governance, impact and social performance assessment.

ProsperA members : almost 5 millions clients reached

Networks

ForoLacFr, Latin America; Main, Africa; Cif, West Africa; Alpimed, Salvador; Finrural, Bolivia; Rfr, Ecuador; Colmena Milenaria, Amucss, Mexico; Knfp, Haiti; Consortium Alafia, Benin; Apifm Madagascar; Cerise, Pamiga, France.

MFIs

Creceer, Promujer, Bolivia; Finca, Peru; Pilarh, Honduras; Sefia, Mexico; Reficom-Cdro, Fafides, Guatemala; Crg Guinea; Inmaa, Morocco; Ashi, Vedcor, Philippines; Ccsf, Cambodia; Asc Union, Albania

Support Organisations

Fidev, Madagascar; CsrSme, Philippines; Aquadev, Trias, Belgium; Cidr, Cirad, Entrepreneur du monde, Iram, Irc, Gret, Sidi, France

Partner Donors

Swiss Cooperation (Sdc), Fph, Ifad, Argidius, etc.

Recent Documents

SPI Discussion papers (available on [CERISE's website](#))

DTN⁴: Links between SPI results and impact studies-Bolivia

DTN⁵ : Transparency and strengthening of members-RFR Ecuador (Spanish)

DTN⁶: SPI assessment by Oikocredit

DTN⁷: Links between social and financial performance-Latin America

DTN⁸ : SPI assessments in Latin America-ForoLacFr (Spanish)

DTN⁹ : SPI and PAT-Experience of Asc Union in Albania

DTN¹⁰ : SPI assessment in Niger -Aquadev (French)

Other publications on Social Performance

CIF-Karthala: [La Microfinance en Afrique de l'Ouest](#) (www.karthala.com)

CGAP-Boulder-DeutchBank: [Pocantico declaration](#) (www.cgap.org)

eMFP : [European Dialogue: investors and SP](#) (microfinance-platform.eu)

Global News N^o16: [Reconciling Financial and Social Performance](#) (planetfinance.org)

MBBN^o16: [Competing Business Models and MF Double Bottom Line](#) (mixmbb.org)

SEEP Network: [Social Performance Roadmap](#) (www.seepnetwork.org)

Liens

Alafia: [alafianetwork.org](#)

Aquadev: [www.aquadev.org](#)

Cerise: [www.cerise-microfinance.org](#)

Farm: [www.fondation-farm.org](#)

ForoLacFr: [www.forolacfr.org](#)

Main: [www.inaise.org/FR/MAIN.html](#)

Oikocredit: [www.oikocredit.org](#)

Pamiga: [www.pamiga.org](#)

Rfr : [www.rfr.org.ec](#)

Sptf:

[www.microfinancegateway.org/resource_centers/socialperformance](#)

Trias: [www.triasngo.be](#)

For more information: contact@propsera-microfinance.org, or by region :

Europe : Cerise (cerise@cerise-microfinance.org), Latin America: ForoLacFr (informes@desempenosocial.org) Africa: Fidev (crazaka1@yahoo.fr), Asia : CrsSme (benqjr117@yahoo.com)