

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 social performance implies to reach the poor and to insure consumer protection. Other elements must not be under estimate as a part of the whole social performances achievement: social exclusion, adaptation of services, strengthening social links, participation, local development, environment, etc. To go forward in addressing these issues, it is important that all the protagonists increase their awareness on and concrete involvement in the social performance game: MFIs and their networks, and also donors, investors and supervisory bodies.

Members activities

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 Argentina, **Bolivia, Ecuador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Peru and El Salvador.**

MFIs conduct strategic reflections with other stakeholders (clients, elected representatives, employees, donors and investors) and some of them consider SP help to attract new financing. In countries where the regulation issue is particularly sensitive (Bolivia, Ecuador, Mexico), the reviews gave concrete arguments to the national networks to strengthen the relationship with their governments, and to improve the regulatory frameworks.

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 Upliftt) assessed their social performance (SPI) and prepared operational strategies for improvement.

Cambodia - The Chamroeun MFI set up a monitoring mechanism of Social Performance in place (based on SPI), with the support of Edm.

Pakistan - several MFIs alongside cooperation from Switzerland used SPI to define their strategy of promotion of social performance.

Africa

Madagascar - the Vola Mahasoa 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.

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

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.

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.

Western Africa donors meeting with BCEAO : In May, the main donors in Western Africa met with CGAP and the BCEAO in Bamako underlined 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

Albania - ASC Union tested the MIX social performance indicators, combining this study with SPI and an application of the [PAT tool](#) of Iris-Usaid. The new tools for evaluating poverty allow 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 main investment funds have participated to this review and it shows how this issue has become central for their activity.

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

Prosper@'s international agenda

Database enlargement begins to show evidences from SP dynamics

Several of Prosper@'s partners joined the **Mix Market's Social Performance indicators** initiative. 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. Prosper@ undertakes to push to retain simple indicators fitting practitioners needs and which can be integrated at the Mix level.

Thanks to the large number of SPI results gathered from all over the world (over 100 SPI reviews), a quantitative study was held to assess **the relationship between social and financial performance** (Latin America sample), and it shows correlations related to the different dimension of the social performance:

- targeting the poorest and most excluded tends to induce higher operating costs, but,
- adapting services to their needs and 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 governance analysis** 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.

Cross analysis between impact studies and SPI studies (Bolivia) allowed to 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.

NEW SPI version 3.0 !

On the basis of experience built up over two years of use by over 100 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.

New features include :

- simpler formulations,
- compatibility with MIX indicators of social performance,
- a more balanced valuation of economic and socio-political benefits for clients
- integration of current themes in the sector (interest rates, consumer protection, environment)

SP recent publications

SPI Discussion papers

www.cerise-microfinance.org

- DTN⁰⁴** Links between SPI results and impact studies-Bolivia
- DTN⁰⁵** SPI for Transparency and strengthening of members-RFR Network in Ecuador (Spanish)
- DTN⁰⁶** SPI assessment by investors-Oikocredits
- DTN⁰⁷** Links between social and financial performance
- DTN⁰⁸** SPI assessments in Latin America-ForoLacFr (Spanish)
- DTN⁰⁹** SPI and PAT-Experience of Asc Union in Albania
- DTN¹⁰** SPI for support orfanization-Aquadev in Niger (French)

Other publications on Social Performance

[La Microfinance en Afrique de l'Ouest](#)

ClF-Karthala (www.karthala.com)

[Pocantico declaration](#)

CGAP-Boulder-DeutchBank (www.cgap.org)

[European Dialogue: investors and SP](#)

eMFP (www.microfinance-platform.eu)

[Reconciling Financial and Social Performance](#)

Global News N°16 (www.planetfinance.org)

[Competing Business Models and MF Double Bottom Line](#)

MBB n°16: (www.mixmbb.org)

[Social Performance Roadmap](#)

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

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

Crecer, 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.

More information – Contact

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By region

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