

TRIAS: TESTING SOCIAL PERFORMANCE



Contribution of TRIAS to the
Congress of Cerise

Paris: 15 and 16 March 2005



Social performance indicators (SPI)

- 1. NEED - WHY TRIAS
TESTED SPI?**
- 2. PROCESSUS**
- 3. RESULTS**



1. NEED FOR SOCIAL PERFORMANCE

Double bottom line of microfinance

1. Reason of existence: realising a social objective

2. Reason of survival: to overcome organizational and financial limitations

==> EVERY DECISION IS BALANCING BOTH



1. NEED FOR SOCIAL PERFORMANCE

In reality:
Financial analysis dominates too often
over social reflections

Exemples from advices of consultants:

Concentrate more on cities and credit insured by salaries
to reduce risks

Go faster through loan cycles, increasing average credit and
income fees per credit

Preference on considering rather cost on portfolio, than cost
per client or transaction



1. NEED FOR SOCIAL PERFORMANCE

DYNAMIC TOOLS NEEDED - ALL LEVELS OF DECISIONS

1. Reporting : accountability to social realizations
2. Decisions:
 - **Internal:** learning process on improving impact
 - > taken into account on every strategic decision
 - > warnings for possible errors
 - **External:** Decisions on fund allocation of donors and investors



1. NEED FOR SOCIAL PERFORMANCE

TOOLS:

**1. WHO's REACHED: PAT, Cashpor
Housing, Poverty Wealth ranking, ...**

2.IMPACT measurement

- quantitative

- focal group decisions

3.OPERATIONAL LEVEL? (action learning)

Audit of realization of intentions?

Permanent social monitoring? (MIS)

INTENTION - OUTREACH - OPERATIONS - IMPACT



CERISE - SPI

PROMISING TO FILL THE GAP!!

ALSO SOME RISKS:

- * IMPACT-processes are context specific (no homogeneous standards)
- * Learning process more important than bench marks
- > Innovation - need for diversity
- > Analysis behind indicators
- * No single good practices/ different approaches
- * No donor kill in allocation
- * External audit Vs internal learning?



2. PROCESSUS in SPI-TESTING

1. 02/2004: TRIAS-BRS Seminar with 9 MFIs - critical Analysis

1. ASHI (Philippines)
2. SOMED (Uganda)
3. UMU (Uganda)
4. Akiba (Tanzania)
5. WEEC (Kenya)
6. KWFT (Kenya)
7. VEPDEF (Cameroon)
8. WASASA (Ethiopia)
9. BUUSSA
- GONOFA (Ethiopia)

2. 03/2004: TRIAS introduces SPI for critical analysis to Belgian Microfinance Platform--> Creation of a work group

3. Dutch platform - similar exercise -->06/2004 European meeting



2. PROCESSUS in SPI-TESTING

1. IDECE

2. CECI

3. NORKA

4. BOSANGANI

5. GEDI

...

5. Monduli SAC
(Tanz)

6. COAC 4de
Octubre
(Ecuador)

**4. Start field testing with TRIAS-partners
--> Focus on smaller cooperatives**

**5. 10/2004 Seminar with network of Congolese
MFIs**

**6. 03/2005: Info brought together
Presentation in Belgian Platform of work
group TRIAS - ALTERFIN -
UNIVERSITY OF ANTWERP**

**7. Further work year on social performance
in 2005 with the same work group**



3. RESULTS

Paper with conclusions per dimension

In general:

- complete and appreciated dimensions**
- disadvantage small organizations**
(range of products / HRM)
- role MFI - as development actor**
 - as specialized actor**
- product to context adapted characteristics**
- > Preference for process indicators AND accountability references (appreciation)**
- Impulse for MIS, in depth questioning**