



SOCIAL PERFORMANCE INDICATORS

SPI Meeting, CERIS

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Vision and Mission

Vision *“to contribute to rural development in order to improve the living standard of the population”*

Mission *“to provide financial services that are suitable for the needs of most of the rural population while ensuring Amret’s long term sustainability”*



Agenda

- Why do we need “SPI” ?
- Who and how often does a study of SPI conducted?
- Costs of an SPI study
- A case study of Amret’s impact survey



Why do we need “SPI” study ?

- Prove the shareholders, donors, investors and other creditors.
- Follow up the action of of microfinance practitioner matching with its mission and vision.
- Help the institution to evaluate and amend the product and management strategies.



Who and how often does a study of impact conducted?

- The study is done annually by internal team (Marketing Department) in order to help MFI to evaluate and adjust its product and management strategies.
- The study is also conducted every 3 or 5 years by external sources in order to: (1)- prove shareholders, donors, investors and other creditors, and (2)- following up the actions of of microfinance practitioner matching with its mission and vision.



Costs of an Impact Study

- The costs of impact study will be more or less depending on how clear of hypothesis is determined.
- In a case of Amret, the costs was about USD 40,000, in which US \$34,400 financed by MAF, and GRET, SIDI and Amret financed for the rest.



Case Study of Amret's Impact Survey 2001-2002



Microfinance Institution "Amret"



Methodology



Data Collection Approach...

The blended data collection approach is used for a study:

- Qualitative
- Quantitative



Location Criteria...

- Diverse activities and production system.
- Villages with diverse economic links and financial outlets.
- The age of the village association (VA).
- At least a VA meeting disaster problems.
- At least a VA with many individual loans.
- Small villages (100-200 households).
- At least one village of the previous study.



Sampling...

Based on above criteria, the following villages were selected with 558 people:

- Four Amret present villages
- One village without formal credit offers
- Other 2 villages (no longer presence of Amret operation and ex-clients)



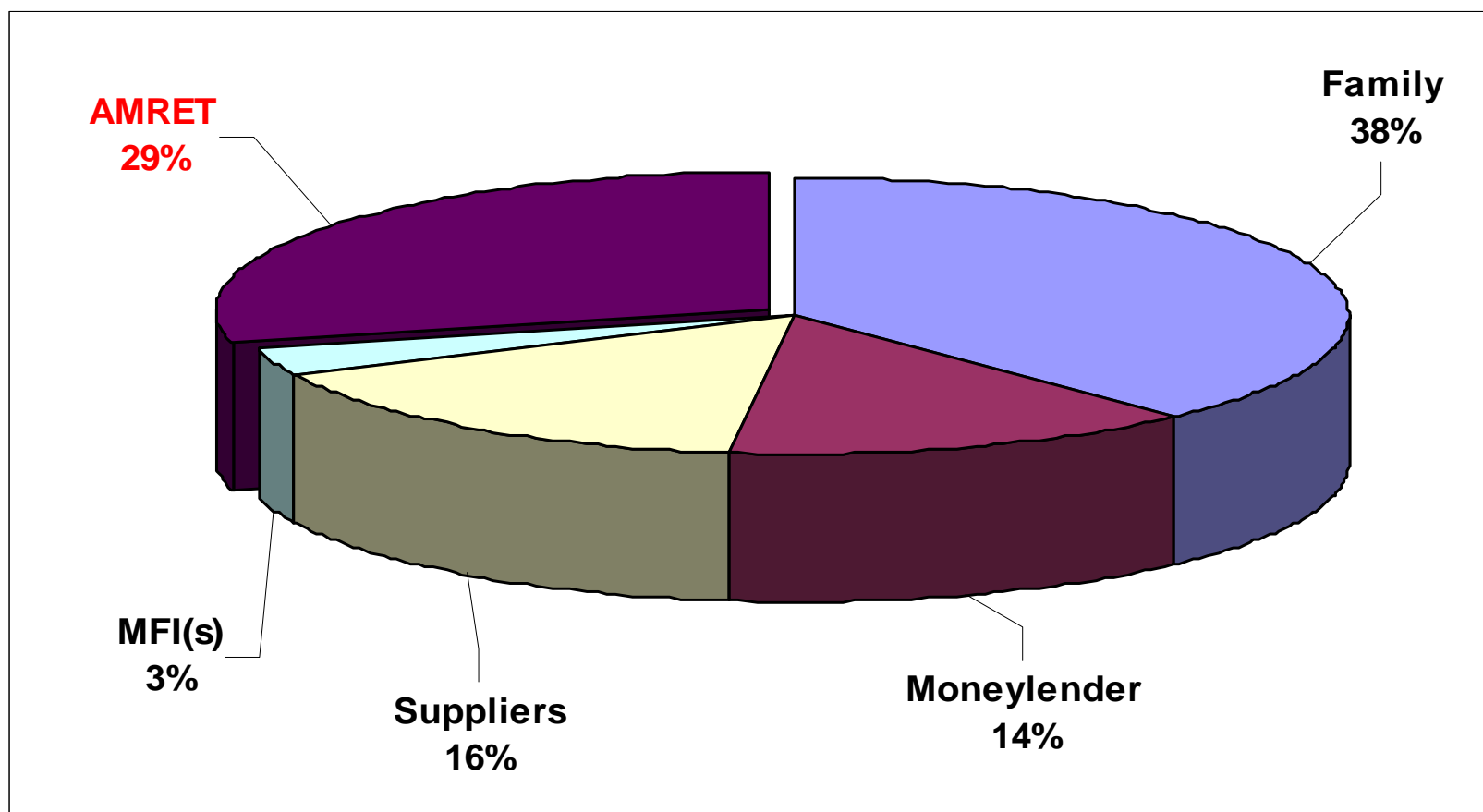
Objectives of the study...

- Analysis of credit and saving supply
- Impact on borrowers
- Interaction within the village association
- Analysis of client satisfaction
- Analysis of client attrition

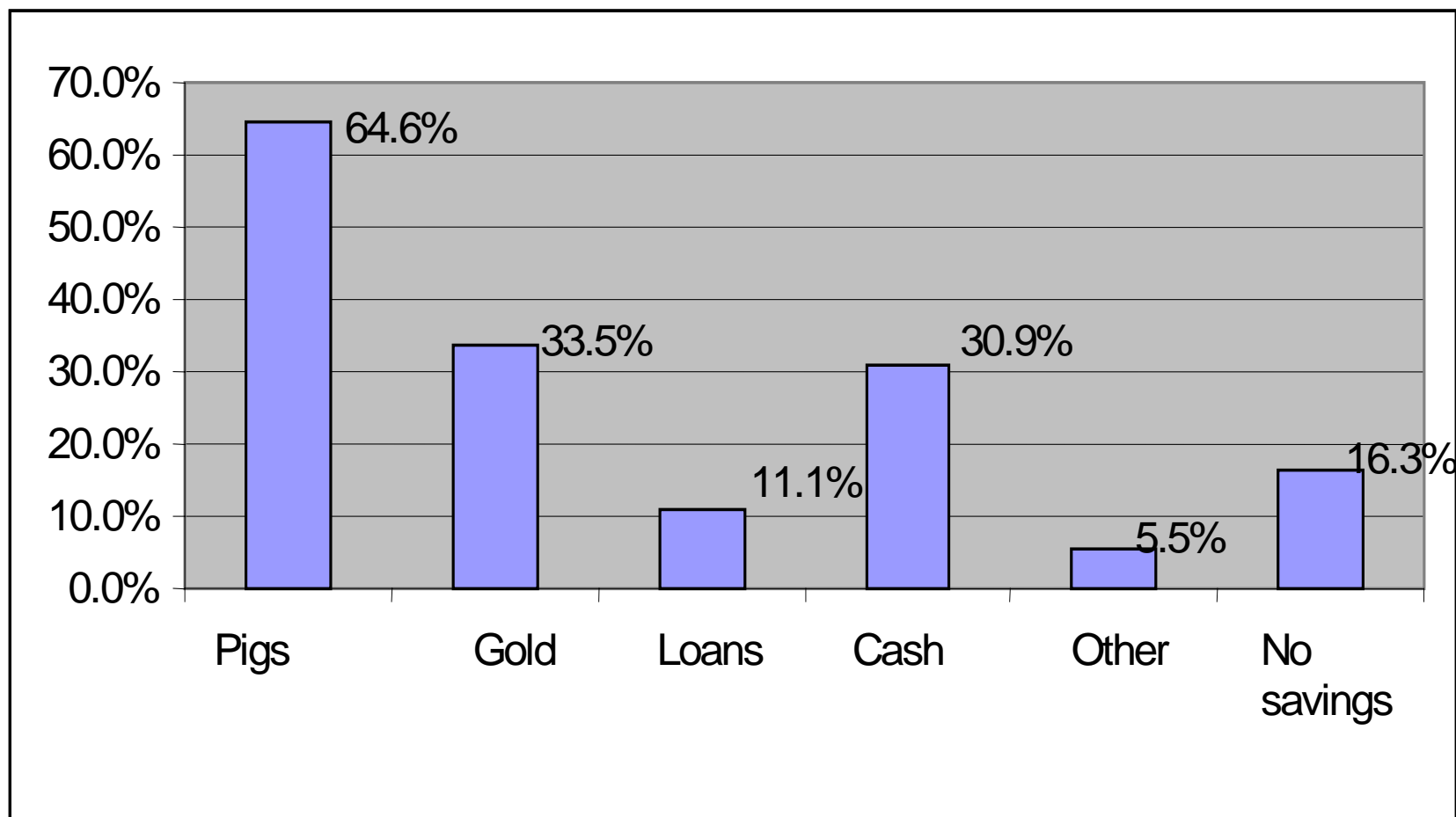


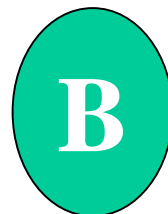
**Analysis Of Credit
And Saving Supply**

Borrowers Who Can Access To Credit



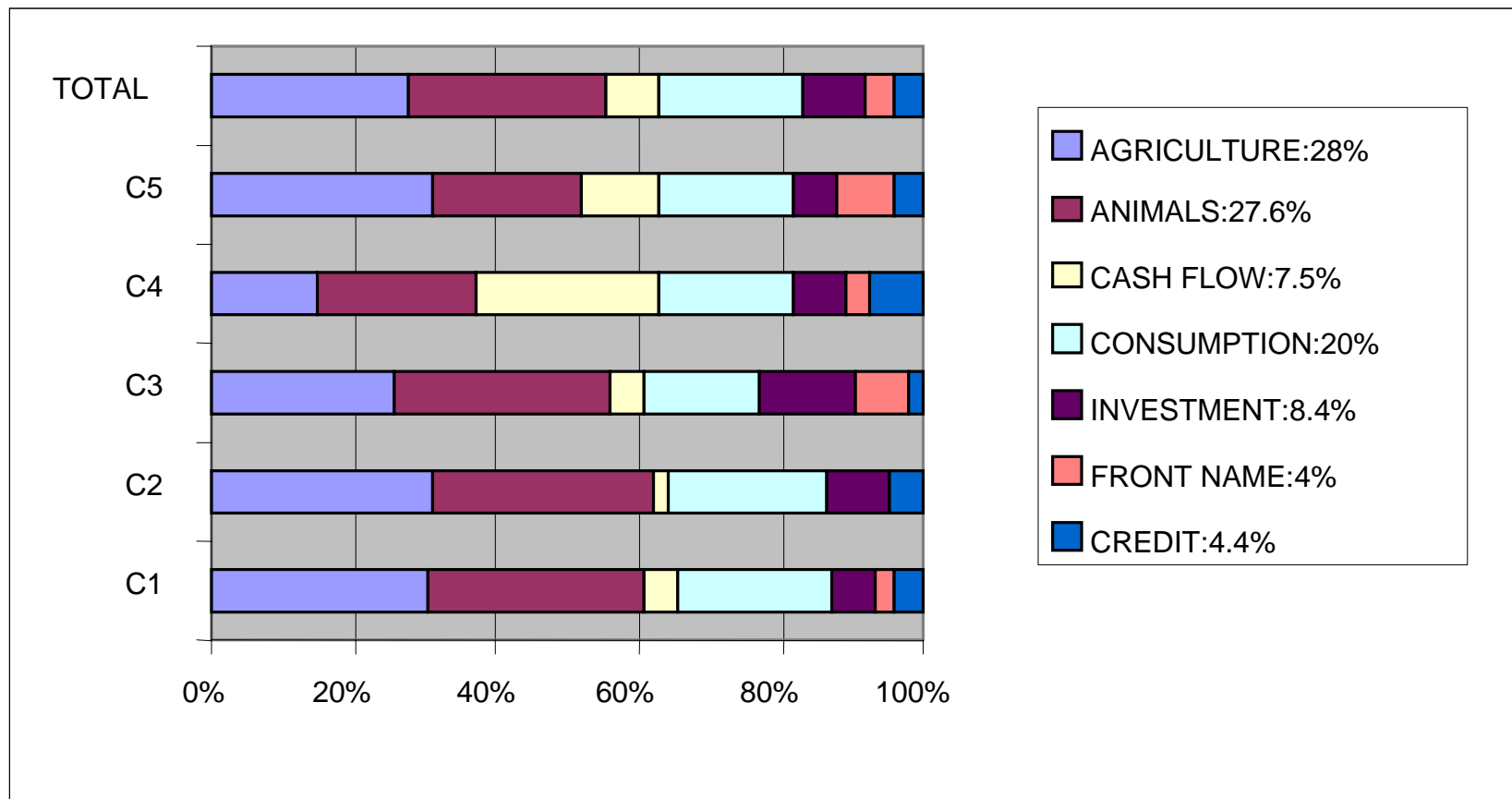
Different Types of Savings



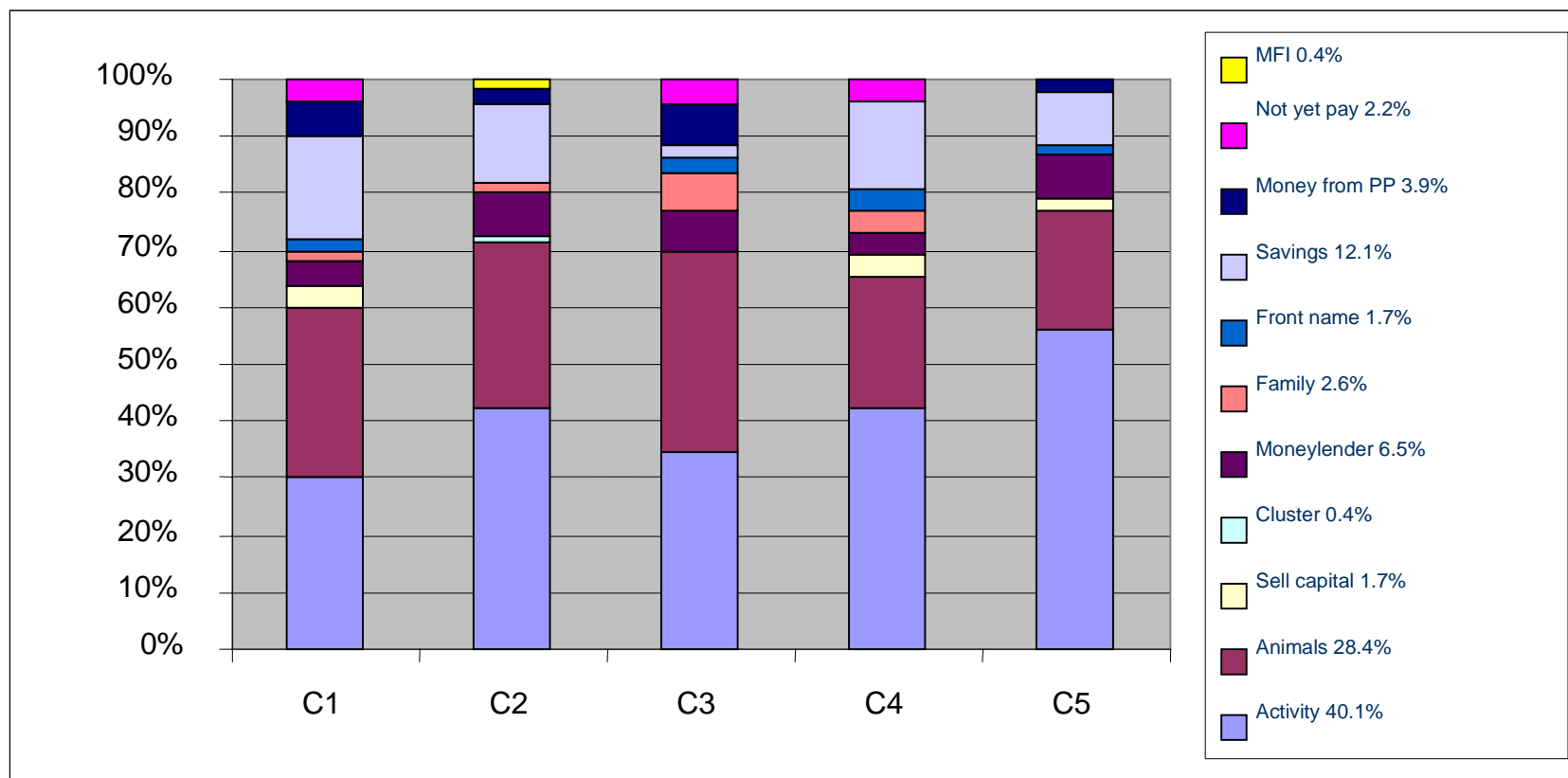


Impact On Borrowers

Loans Utilization



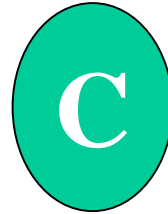
How People Pay Their Debts





Evolution of Levels of Wealth

- Increase the stocks and diversify the products.
- Get better equipment for their activity.
- Increase their savings through buying animals.
- Get better medicine or food for a specific period.
- Get another choice for their financial needs



Interaction Within Village Association



Group Formation...?

- People group together by themselves, by mainly based on the ability to repay loan.
- As the group is running smoothly:
 - Client left the name in the group as guarantor.
 - Client built a friendship among groups.
- 30% of group loan clients have changed their group once at least.
- Chief of group generally has an authority on members and could solve problems or repay.



Real Solidarity... ?

- When do they stand together?
 - A part of repayment can come from other members if they can not find it on time
 - They need a member to repay for them when they are busy (esp. Int. Rate)
- Clients can guarantee up to KHR 500,000
- Only a few people accept to be a group leader
- Very few front names and ghost group



Client Satisfaction



General Aspect...

The people are happy with Amret loans :

- They want Amret to be in the village forever
- They can be benefited a lot from Amret credit
- Credit Agent are very familiar with clients.



Amret System Recognition...

- Proximity: Clients understand about the cost of Amret's operation.
- Accessibility (no collaterals, esp. for for SC)
- Flexibility of repayment
- Competitive costs



Client Attrition

Why Client Stop Borrowing...?

Client Reasons	Percentage
1- No longer need credit	35%
2- Activity-related reasons	24%
3- Credit modality-related reasons	18%
4- Other external reasons	16%
5- Problems with group	7%
Total replies	519 (100%)



Microfinance Institution "Amret"



THANKS