

Social Performance Management, Impact & Rating

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1. What is social performance and how does it differ from Impact
2. What are the latest tools for assessing the social performance of providers of inclusive financial services & who are their providers?
3. What role can investors play in consumers protection & minimizing mission drift?
4. Can Microfinance entrench and meet increasingly high social impact expectations in the transition to private capital?

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Converging Forces Motivates Conventionalization

Commercialization

1. Need to Comply with “Conventional” Financial Regulation
2. Increased Competition Provoking Efficiencies
3. Need to Attract Private Capital

Private Non Social Enterprise MFIs

1. Serving the Bottom of the Pyramid with financial Services
2. Profits to compete against non SE MFI
3. Hard ball competitors

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What is social performance & how does it differ from impact?

Social Performance

The effective translation of an institution's social mission into practice in line with accepted social values. How MFIs provide poverty alleviating financial services to an increasing number of poor, improving the quality and appropriateness of financial services; creating benefits for clients; and improving social responsibility of an MFI.

From - Beyond Good Intentions: Measuring the Social Performance of Microfinance Institution

- Number of poor served
- Loan size as a percentage of GDP
- Client satisfaction
 - repeat use of services
 - low default rate
- More efficient targeting of low income populations

Social Impact

The impact of an organization on its stakeholders, particularly in those dimensions in which they hold the organization accountable. It refers to the systems and influential behaviors within an organization as well as to the direct and indirect impact of an organizations activities on stakeholders

Causality and Attribution

SEEP Social Performance Glossary (2006)

That decrease in poverty of clients can be attributed to MFI services

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What are the latest tools for assessing the social performance of providers of inclusive financial services & who are their providers?

The Art of Social Performance

The Science of Social Impact

Managing Outcomes

- Social Performance Indicators (SPII)
- USAID Social Performance Assessment Tool (SPA)
- ACCION SOCIAL
- Balanced Score Card
- Atkisson Compass Assessment
- Rating Organizations
 - M-Cril
 - Microfinanza Rating
 - MicroRate
 - Planet Rating

Managing for Impact

- Progress out of Poverty - Grameen
- Global Reporting Initiative

Measuring Impact

- SEEP/AIM impact survey

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What role can investors play in consumers protection & minimizing mission drift?

MIVs Unique Social Investment Position

LEVERAGE

Social Investment global
share of investment
capital

12 %

Deny or Supply Capital on the basis of SPM & financial performance

MIV global share of top MFI
debt capital

20% to 30%

Do As You Would Do Unto Yourself

MIV Social Performance Management
MIV SPM Performance Reports
SPM Stakeholder Communications
Buy from and invest in SPM Infrastructure

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The Vital Question and Challenge

Can Microfinance entrench and meet increasingly high social impact expectations in the transition to private capital?

Impact, What Impact?

Honest Assessment of Social Impact

Innovate and Create

SPM in MFI & SPM Infrastructure SPM

Resist & Repeat

Donors have a Central Role but Resist Centralizing Trends

MIVs Lead Transition to Private Capital

Bridge to Private Capital
Insist on SPM

This Bicycle Isn't New

Look Beyond Microfinance to CSR, ESG, TBL, Social Enterprise movements

Transparency Before All

SPM & SPM Reporting - a Virtuous Circle

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Microfinance for a Just & Sustainable World

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