

Social Performance Fund Round 3



CERISE

SP Fund Round 3 At a glance:

Timeline

The project will run for 2.5 years (30 months) from October 2015 to March 2018.

Budget

Total \$800,000.
Granted by the Ford Foundation.

Management

The SP Fund is managed by the MFC and implemented in collaboration with CERISE.

Contact

For more information, and to apply, contact:

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Promoting the broad adoption of the Universal Standards for Social Performance Management through mainstreaming the use of SPI4 tool among industry stakeholders

Background to the Fund

The Universal Standards for Social Performance Management represent the culmination of ten years of unprecedented industry-wide collaboration to align definitions and consolidate best practice around social performance management and assessment. Today, building a **responsible inclusive finance sector** depends on our ability to mainstream the Universal Standards across the sector.

Importantly, in recent years we have made significant progress in co-creating the very tools that will facilitate Universal Standards adoption. These tools have the potential to **harmonize social performance measurement and reporting, and foster stronger practice** among practitioners, networks and investors by providing real-time and relevant information on our processes and outcomes.

What are our objectives?

The Fund aims to **significantly accelerate Universal Standards adoption, to mainstream both the concept and systematic practice of SPM**. This by:

- promoting the SPI4¹ as a data collection and performance management tool among MFIs, networks and investors. For investors, the SPI4-ALINUS² will guide harmonized data collection, reduce the MFI reporting burden and improve data quality, benchmarks and support for SPM.
- supporting MFIs to fully integrate SPM into their operations, by promoting useful technical resources and sharing practical experience.

Who is the Fund for?

The Fund is designed to reach **market leader MFIs**. By targeting the major industry players, we hope to create a “demonstration effect” that will help build buy-in and commitment of others, including investors.

Additionally, the project will help **national networks** ensure their members provide meaningful and reliable social performance information, in order to:

- integrate it into country-level reports to share with investors and/or regulators to increase sector transparency
- identify areas for improvement that networks can tackle with their members.

¹ See www.cerise-spi4.org for more information.

² ALINUS: “ALigning INvestors due diligence to Universal Standards”. For more information, visit www.sptf.info

What activities will we carry out?

1. Building the capacity of different stakeholders to use the SPI4 tool:

- **20 awareness-raising events:** one-day sessions (linked to national and regional events) to present the SPI4 and share user experiences.
- **10 online trainings** for MFI managers, credit analysts and SPI4 auditors on data collection and use of SPI4 (in English, Spanish and Russian) with a series of online training materials on the use of new functionalities of the SPI4.
- **40 offsite coaching opportunities** for individual MFIs, credit analysts, networks and auditors.

2. Financial support to implement SPM

- **23 SPI4 social audits:** including developing a detailed action plan and procedures to integrate SPI4 findings and analysis into processes for internal and external use. There will be 2 open calls for proposals for MFIs: May 2016 and early 2017 (50% co-funding of the project costs)
- **12 Network upgrade projects:** to enhance network capacity to aggregate country information to produce a social performance report using SPI4. Call for proposals: January 2016 and December 2016 (funding of 100% of project costs)
- **20 travel scholarships:** for networks and/or MFIs to attend the annual SPTF meeting.

3. Developing the infrastructure of SPM:

The SP Fund will develop new functionalities for the SPI4 to support industry efforts to increase SPM reporting and improvement. This includes:

- Filtering options by typical MFI operational areas to make it easier for different departments to identify their role and responsibilities with respect to social performance reporting and management.
- Developing a database to allow networks to utilize members' SPI4 data to produce cumulative sector statistics, benchmarks and graphs.
- 2016 update of SPI4 based on Smart Certification Standards version 2.0 and feedback from SPI users.

Box 1: Grantee selection criteria

MFIs need to meet the following minimum requirements:

- financial sustainability
- have at least 1 foreign investor (debt, equity or guarantee)
- preferably be a member of national/international network
- be a market leader (e.g. large percentage of market share, existing social mission and goals, committed board and management).

Networks need to meet the following minimum requirements:

- propose an upgrade project engaging members and non-member MFIs jointly covering at least 60% of their national microfinance market
- verifiable track record on SPM, specifically related to promotion/implementation of the Universal Standards, organizing dissemination events involving different stakeholders (including regulators and investors)
- experience with member data collection (social or financial)
- verified list of member MFIs willing to conduct an SPI4 assessment (e.g. with signed commitment letters).