

# Social performance fund briefing: Key lessons for networks<sup>1</sup>



## OVERVIEW

This briefing note reflects on the lessons learned throughout the SP Fund project process<sup>2</sup> (see **Box 1**). Specifically, it focuses on what we learned about the potential, and role, of networks to scale up SPM implementation.

This briefing has been written for national and regional networks and associations. The lessons therein, however, are also relevant to a broader audience: microfinance organizations and the organizations that support them (including technical assistance providers and other industry bodies). Based on the lessons learned over the course of the project, recommendations and key tips for networks supporting SPM scale-up are included.

## INTRODUCTION

The Universal Standards for Social Performance Management ("Universal Standards") are a comprehensive manual of best practices created by and for microfinance professionals as a resource to help financial institutions achieve their social goals. The development of the Universal Standards represents a significant investment in terms of time, experience and resources — facilitated by the Social Performance Task Force, and drawing on the work of countless organizations and global initiatives (including the *Imp-Act* Consortium, the Smart Campaign, MIX, CERISE, MF Transparency, *MicroSave* and the ILO).

The Social Performance Fund ("the Fund") for Networks was created in 2011 to increase awareness and adoption of SPM by microfinance service providers globally. To achieve this, it focused on leveraging the capacity and

outreach of national and regional networks to support Universal Standards adoption. Importantly, the Fund also had a number of secondary (more internal) aims. These included:

- Testing the practical utility of the Universal Standards to achieve SPM scale-up across the industry
- Mapping the microfinance industry landscape in a coherent way to understand the state of practice (by early adopters) and the state of readiness (for new adopters) around SPM
- Understanding the potential of networks in terms of facilitating SPM scale-up using the Universal Standards, as well as identifying the different roles networks currently play
- Gauging the current enabling environment and incentives for SPM scale-up in terms of the priorities of investors, regulators, and others.

See **Table 1** overleaf for a summary of key results, and **Annex 1** for a detailed overview of project aims and activities.

## Role of networks

Throughout this process, networks assumed different roles vis-à-vis their members, some that they find more natural, and some more challenging. This included being:

- **Communicators:** delivering information to members about new industry developments in SPM, and engaging regulators, investors, and others on the topic
- **Advocates:** monitoring and promoting an enabling environment for SPM, promoting client protection regulation, encouraging the development and use of

### Box 1: The Social Performance Fund

The Social Performance (SP) Fund for Networks is designed to mainstream the new Universal Standards for Social Performance Management. The SP Fund works with 10 networks that run 18-month projects to document learning and experience around innovative solutions to implementing the essential practices of the Universal Standards. They also support their members to reach full or partial compliance with one or more dimensions of the Universal Standards. Supported by the Ford Foundation, the Fund is managed by the Microfinance Centre (MFC), a microfinance resource center and network serving the Europe and Central Asia region and beyond.

<sup>1</sup>Written by Katarzyna Pawlak and Kinga Dabrowska (MFC), with support from Katherine E. Knotts. Thanks also to our peer review panel: Amelia Greenberg, Margarita Lalayan, Gabrielle Athmer, Olga Sorokina, Jacqueline Mbabazi, and Jagadish Tiwari. See the full briefing series [here](#).

<sup>2</sup>Visit [www.mfc.org.pl](http://www.mfc.org.pl) or [www.fordfoundation.org](http://www.fordfoundation.org) for more information.

**Table 1: Social performance fund project results**

| Awareness raising component                                                                                                                                                                                                                                                                    | Implementation component                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 33 networks supported <sup>3</sup><br>12 scholarships for MFIs to participate in annual SPTF meetings<br>2,523 MFIs participated in Universal Standards presentations<br>181 awareness-raising activities conducted<br>20 local language translations<br>1 video about the Universal Standards | 10 networks support SPM implementation with members <sup>4</sup><br>2 scholarships for MFIs and 23 for networks to participate in annual SPTF meetings<br>37 MFIs submit 133 managerial tools and solutions<br>21 MFIs fully completing SPM work plans<br>92 MFIs improving SPM practice introducing 1-3 improvements<br>28 case studies written to analyze good practice<br>8 case studies and 1 video translated into English, French, Spanish and Russian |

local SPM technical assistance capacity, creating incentives for SPM implementation

- **Coaches:** encouraging and guiding members to build internal buy-in, define the scope of their SPM work and monitoring implementation progress
- **Resource centers:** providing examples of available tools, good practice and referrals to quality consultants and technical assistance providers, identifying support opportunities for members
- **Service providers:** providing SPM-related technical assistance directly to members.

The following sections consider each of these roles, the practical steps needed to fulfill them successfully, and recommendations on how key industry bodies (such as the SPTF and others) can support networks in future (see **Box 2** for key tips on getting started).

### Building network capacity to succeed

An essential pre-condition for a network to take on any of the key SPM-related support roles listed above is to first build its own understanding and capacity in SPM. This means investing in understanding why the Universal Standards were created, what they are, how they are used, the relevance of each standard/essential practice to the local context, and the corresponding tools and resources available for each essential practice – and ensuring that this knowledge remains a consistent part of the network, regardless of staff turnover.

As much as we want MFIs to apply an “SPM lens” competently to their everyday work, the same holds true for networks themselves. That is to say, based on this understanding, the network has the following responsibilities:

- Build understanding of its own board and staff of SPM and the Universal Standards, defining the role the network wants to play in promoting and/or implementing SPM with the members
- Update the network business plan to ensure adequate resources for its SPM work
- Communicate with members and other local stakeholders, to emphasize the importance of SPM
- Understand members’ SPM needs, challenges, concerns and priorities
- Develop the skills of network staff in delivering key SPM-related training inputs, and staff skills in supporting the change management process within MFIs
- Develop, manage and oversee local consultant capacity, to ensure that network members receive external technical support that is fully aligned with SPM (where relevant)
- Develop a mechanism for information-gathering requests from members
- Report to external stakeholders on SPM.

### Box 2: Key tips before you get started...

Whatever role your network chooses to play, identify and prepare for potential risks at the start, to ensure that your SPM project stays on track. If you don’t spot the risks, your work will be more time-consuming and complex. These risks could be:

- **Internal:** Staff turnover in your network or your member MFIs, confidentiality issues, operational crises that consume an MFI’s time, energy and resources.
- **External:** High competition, commercialization, new regulation, other major sectoral changes that may absorb MFI’s focus away from your initiative.

<sup>3</sup> The full list of networks is available [here](#).

<sup>4</sup> AMFA (Azerbaijan), AMFIU (Uganda), APSFD-IC (Ivory Coast), CMF (Nepal), COPEME (Peru), MCPI (Philippines), MFN (Global), PMN (Pakistan), RFR (Ecuador), and TAMFI (Tanzania).

### NETWORKS AS COMMUNICATORS AND SPM ADVOCATES

#### **Lesson: Networks are well-placed to disseminate information about new concepts and initiatives**

Networks can easily assume the role of “communicator and advocate” on SPM, because of their typical role in being a “one-stop shop” for information on new topics/initiatives. This is based on the services they offer, and their ability to leverage their local presence to engage in face-to-face meetings and events to share learning and exchange experiences, both with their members and other stakeholders (see **Box 4**).

#### ***Communicating with members***

Networks can use their connections to conduct presentations (to members’ boards and leadership), hold discussions on the theme, and collect feedback from members. They can also translate the materials into local languages, where gaps still exist. For these things to happen, it is helpful to networks to have a ready stock of communication materials to hand (e.g. presentations, handouts, brochures, training/meeting curricula), and translation resources where these are required.

#### ***Communicating with broader stakeholders***

Networks are also well-placed to bring the information to large country audiences (of diverse stakeholders, such as regulators and policy-makers) within a relatively short period of time. Here too, ready-to-adapt templates for different audiences (and guidance on how to use them) are helpful.

It’s important to identify which communication channels are appropriate to the local context (i.e. which your target audience uses). It is also important to use a combination of channels to communicate effectively. For example, use a combination of face-to-face meetings and newsletter articles; consider using printed materials in countries where internet use is not widespread.

#### **Lesson: “Translating” SPM is more than just using the local language. It’s about matching your messages to the needs and priorities of your audience.**

Networks have found that different tactics are useful for different audiences, when talking about SPM. For example, some frame it more from the perspective of financial inclusion; others frame it as an approach for tackling key operational challenges such as over-indebtedness. When communicating with commercial

MFIs, networks focused more on presenting the financial benefits of SPM (e.g. increased client/staff satisfaction, reduced staff turn-over), and/or avoiding certain risks (e.g. reputation risk, by introducing changes in line with client protection standards).

#### **Lesson: Different stakeholders need different information**

It’s important to differentiate between the kind of communication materials used with your members and other stakeholders. While members are interested in the technical details, other stakeholders (e.g. regulators, investors) are mainly interested in results/outcomes. In this way, the tools are only important to them if they communicate results and not the process.

#### ***Staying informed on key resources***

Networks can enhance the quality of the information they disseminate by remaining aware of what key resources are available from external partners, and when these resources are updated. For example, on the SPTF website, there are several presentations on the Universal Standards available in English, French and Spanish, while materials in 20 local languages can be found [here](#)).

#### **Lesson: For successful SPM implementation, motivation counts more than experience**

The more networks know their members, the better the chance of tailoring their approach to their members’ needs and priorities. The first step is for networks to understand the real motivation for MFIs to get involved. At the outset of this project, we assumed we would see a higher level of engagement and commitment from MFIs that had more experience/exposure to SPM, but this was not always the case. Even inexperienced MFIs can be highly committed given the right context (for example, a change in regulation). For example, in Peru we saw that inexperienced MFIs were highly committed to working on client protection issues because they formed part of new rules for regulated MFIs. The bottom line is: Successful SPM integration is not always about experience, but often about motivation – so networks need to find the right motivation for their members (see **Box 3**).

***Have a ready stock of communication materials to hand (e.g. presentations, handouts, brochures, training/meeting curricula), and translation resources where these are required.***

### Box 3: Key tips for networks on communications and advocacy

- Before engaging with members in SPM communication and advocacy, networks should participate in SPM trainings and events to ensure they have a firm grasp of the concept.
- Use the **SPTF Communication Package for Networks** on the Universal Standards framework to understand/explain different dimensions of SPM in your awareness raising/communication activities for MFI boards, management and staff, as well as other stakeholders. This is a good high-level overview on SPM, key resources and practical experiences from around the industry.
- Also at the outset – review the Universal Standards from the perspective of your local context. Identify which dimensions, practices or topics are more (or less) applicable or interesting to your members. This will help you engage them in a practical way around how the Universal Standards are relevant and useful.
- Networks should use their typical communication channels (e.g., annual meetings, emails, etc.) to regularly disseminate information about key SPM topics.
- Regularly check what resources are available (e.g., SPTF website, regional networks), as the number is increasing constantly. You do not have to develop everything from scratch!
- If your local language is spoken in more than one country, check with other national networks to see if they have materials to share in your language
- When talking to MFIs that are not managing their social missions, use “peer examples” to showcase positive results from other MFIs.

### Lesson: External factors play important role in building MFI interest on specific topics

External drivers play a role in SPM take-up, where interest from regulators or investors incentivizes improved SPM. Networks have a role in encouraging this “SPM enabling environment” (through education and engagement) and communicating to members about these external incentives.

- The process of regulating the microfinance sector especially when initiated by Central Bank (or other regulatory body) can encourage newly-regulated MFIs to improve their client protection.
- On the other hand, commercialization draws the attention of NGO MFIs away from SPM towards improvement of financial management and financial

results to meet the new demands of the market e.g. related to reporting standards.

- Regulated, commercial MFIs can be less willing to share experience with their peers as they are more competitive .
- When working with both regulated and non-regulated MFIs, networks found it helpful either to identify SPM topics of interest to both groups, or work with the two groups separately on different issues of interest (e.g. work with the regulated MFIs on transparency, and work with non-regulated MFIs on setting social goals and objectives).
- The position of policy makers and regulators affect the financial institutions’ interest in specific topics. In places where for instance the Central Bank is keen on

### Box 4: Communication tools overview

- **Standards framework:** Useful for awareness raising activities on the Universal Standards or, in abbreviated form, on SPM. Available in English, French and Spanish [here](#).
- **Examples by dimension:** Real case examples illustrating each dimension are available from the STPF [link](#).
- **Video on the Universal Standards:** A good option can be to use the video developed by one of the participating network - Good Return - explaining the standards (see link in [English](#), [French](#) and [Spanish](#)).
- **Tailored Board and member presentations:** If you plan a presentation for your Network’s Board or Members you may download dedicated presentations from [here](#).
- **Local language versions** of the Universal Standards Framework in the form of leaflets, brochures and full standards documents are available [here](#).
- **Reaching out to regulators:** for a guide on communicating with regulators, look [here](#).
- **Implementation Series webinars:** Recordings on events focusing on each Dimension are available [here](#).
- **Video case studies on SPM implementation:** Available on the SPTF website, the UGAFODE talks about how an MFI improved its financial and social performance through better SPM; the Contactar video demonstrates how SPM responsibilities can be distributed and integrated throughout different departments in an institution.

upholding consumer protection, the institutions will be interested in the areas of client protection and the network can take advantage of this initial interest to introduce the other standards (see **Box 5**).

For example, the **RFR Network (Ecuador)** attracted many cooperatives to take part in its Universal Standards implementation project because cooperatives were required by the regulator to prepare a new “social balance sheet” report. Although the operational guidelines on how to prepare this are still in development, the cooperatives were interested to improve their SPM to get better results when the reporting system is finally launched.

**CMF (Nepal)** invited regulators to its introductory workshops to show MFIs that SPM topics are important and had the attention of the regulator, who planned to introduce some aspects in its reporting framework.

**AMFA (Azerbaijan)** drew a few MFIs to its SPM project on account of the new regulatory guidelines around compulsory consumer complaint mechanisms. They started by publishing a case study on the topic, and organizing a workshop to discuss it.

**AMFIU (Uganda)** leveraged interest from social investors to promote SPM amongst MFIs. They also helped MFIs approach wholesale lenders like Oikocredit or the Stromme Foundation, whereby MFIs presented their plans and requests for TA funding support.

### Lesson: Highlight the internal benefits of SPM

There are clearly internal benefits for MFIs from SPM (in terms of being able to better reach, serve and protect clients). SPM can also help MFIs to tackle key operational challenges in a balanced way: challenges such as low portfolio growth, or low savings levels, high client or staff turnover, etc. (See **Box 6**).

## NETWORKS AS SPM COACHES/MENTORS

Beyond raising awareness on SPM issues with members and external stakeholders, networks have a critical role to play in terms of providing support, encouragement, and monitoring the implementation process. Again, given their local presence and on-going contact with MFIs, this is a role they can naturally play – given the right support and guidance (see **Box 7**).

### Lesson: Objectivity matters

As an objective and experienced “external voice”, the advice and opinions of networks carry a lot of weight in

### Box 5: Key tips for leveraging external factors

- The network should take into account external processes underway in the country and review the timing of new SPM initiatives if member MFIs are facing major changes.
- Monitor the plans of your regulator. If you think that certain Universal Standards can be regulated and have positive influence on the market, make sure to discuss this with them.
- Discuss with the most active investor(s) their expectations for SPM and how they can potentially support the adoption of the Universal Standards.

### Box 6: Key tips for leveraging internal factors

- Regularly check your members’ interests and challenges with annual surveys or/and consultations. Also track their priorities by noting which discussion topics or trainings generate the most interest from members.
- Analysis on market trends related to SPM (such as dividends paid to shareholders, interest rates, client relationships, etc.) can be collected from secondary sources. This information can be collated to make members aware of trends that might benefit/hamper the industry and hence motivate them to take a certain action.

terms of influencing MFI decision-makers. This “external voice” is particularly influential when it comes with an understanding of the local context as well as the broader (global) picture of “good practice”. When networks can leverage this international perspective, and frame the benefits of SPM in a way which resonates with their members, they can build motivation for SPM implementation. This is especially important when engaging with boards, whose support and commitment

### Box 7: Providing MFI support

There are several key steps for networks serving as coaches/mentors to their MFI members:

- Conduct individual meetings with MFI boards and top management to secure buy-in
- Conduct relevant diagnostics and develop a realistic action plan
- Help MFIs identify areas for external support and use this support effectively
- Organize peer learning meetings between MFIs
- Monitor action plan progress

(in terms of allocating resources) is crucial for successful implementation of key points in the action plan.

### Lesson: Ask for MFI commitment in writing

Networks that insisted on signing MOUs prior to starting their support work had, in general, better results at the implementation phase. When challenges arose, and the project got sidelined, the network could refer back to that formal commitment. **AMFA**, for example, asked each partner MFI to sign an MOU, which resulted in a much higher number of tools and good practice examples collected than occurred in networks that did not use MOUs (see **Box 8**).

### Lesson: Be on the lookout for challenges as you go

As mentioned above, it is important to help members identify and address internal risks related to the smooth running of the SPM action plan – for example a change of leadership, staff turnover. The latter in particular was a real challenge during this project, and required repeat trainings for new staff. Other risks include the timing of the SPM project: where it does not coincide with the business planning cycle, it can be difficult for MFIs to dedicate sufficient resources for implementation.

### Lesson: Tailored diagnostics can often work better

The needs and priorities of each MFI will determine the scope of the SPM diagnostic and action planning process. You may decide to help an MFI conduct an overall assessment on all the Universal Standards, or focus on one particular process/area. Conducting an assessment on all of the Universal Standards (given the several hundred indicators in the SPI4 tool) may be too time-consuming for MFIs. Therefore, knowing the expectations and motivation of each MFI is important. For example, an MFI may wish to assess practice on only one dimension of the Universal Standards, or may wish to check operational system alignment with the Universal Standards. For example **AMFIU (Uganda)** and **PMN (Pakistan)** developed simple tools to help them assess MFI compliance with 2-3 dimensions of the Universal Standards.

### Lesson: Good assessment is a multi-stage process that takes time and diverse input

Conducting assessments related to two dimensions of standards together (with planning) took usually 2 days per MFI (e.g. **APSPD-IC** and **MCPI** organized individual workshops for members with two objectives: to present Universal Standards, and to conduct a collaborative assessment – leading to action plan development).

### Box 8: Key tips for gaining buy-in

- Start with an SPM presentation for board and top management. They need to understand the overall aims in order to provide support and resources. Examples of presentations can be found [here](#).
- Before working with an MFI on SPM implementation, sign a formal agreement (MOU) on the goals, scope and timeline of the process – as well as the resources it will require.

We found that networks had more meaningful results, and more realistic plans, when assessments took the form of a team workshop with different staff (and sometimes board) within one MFI (rather than a group workshop of MFI representatives from a number of MFIs). These workshops were usually based on a “self-assessment” conducted beforehand by the MFI, wherein the self-assessment results are presented and discussed. The role of the network, then, is to facilitate this process, ensure the assessment is done correctly (e.g. explain what standards, indicators mean), and help with the action planning process. The network should familiarize itself with the institutions’ strategic/business plan, so as to understand the MFI’s priorities and help it determine how/where the Universal Standards can be introduced.

### Lesson: Assign the right time around resources for your SPM action plan in the overall business plan

A key part of the action planning process deals with planning resources. If financial and human resources are not available, the plan will fail. During this project, some networks complained that some MFIs took ages to approve their plans. On the other hand, they also found that those MFIs that spent more time on incorporating planned SPM changes into their overall plans were than more successful at implementation, given the fact that they secured financial resources and, just as importantly, the staff time to do it.

For example, **AMFIU** and **PMN** spent a significant amount of time (2-3 months) in discussions with their MFI members to get top management approval on proposed plans. Later it was observed that those MFIs implemented most or all of their plans within the given time. In general, we saw that securing adequate staff time is crucial, because we found many examples of an MFI agreeing to implement something, but the relevant staff were not given enough time to work on those issues. Secondly, MFIs (in general) developed more ambitious plans than they were ultimately able to implement. Based on network feedback, some changes were not introduced because the staff lacked adequate

time and/or resources. Others were delayed because they required board approval (this relates mostly to policy-level changes).

It's also worth noting that having an appropriate timeline – not just the right amount of staff time – is critical for successful SPM implementation. Project MFIs had 4-8 months to implement their plans, which proved quite too short a time, especially when introducing new systems. It's better to plan at least 18 months for implementation (rather than for the whole project, which also includes gaining buy-in, diagnosis and action-planning – not just the implementation itself).

### **Lesson: Ensure that any external SPM support is linked to the action plan and policy-level changes**

Different MFIs will need support on different technical topics as part of their SPM action plan. This can either be done by an external consultant, or the network itself. However, where learning gained from external technical support isn't then integrated at the policy level, that support can undermine the coherence of the SPM implementation process, or fail to create an impact at all. For example, an MFI can train its loan officers on financial education delivery, however if the MFI does not change its service procedures for loan officers (e.g. by adding a 5-minute consultation on financial

education issues to each client meeting), the knowledge gained in the training will not be applied in the field afterwards (see **Box 9**).

### **Lesson: Networks are well-positioned to facilitate good-practice sharing events on specific topics**

On a country level, peer learning groups are an excellent tool that networks can use to:

- **Motivate members:** The “herd effect” created by peer learning sessions can be a good means to motivate members to continue making progress on their SPM action plans. This can also be useful when a network includes less-committed MFIs, to introduce them slowly to the concept and demonstrate concrete benefits.
- **Improve practice:** Hearing the experiences of others can help MFIs identify gaps in their own practices, and incorporate new ideas to improve existing practice.
- **Increase interest and implementation among other MFIs:** As peer group meetings get established, new members that have hitherto not been implementing SPM can be invited to these meetings. Hearing the practical implementation of the Universal Standards from their fellow MFIs raises their interest in giving it a try.

### **Box 9: Key tips for effectively supporting MFIs**

- Where networks have separate “research” and “technical assistance” arms, they should coordinate on TA to MFIs to ensure that all training received is in line with the SPM action plan and does not undermine it.
- Where adequate external SPM capacity does not exist, consider developing in-house training packages on key topics.
- Where networks hire external consultants, these should be briefed on the concept/practice of SPM, and the SPM action plan, to ensure their TA package is in line with project goals.
- Plan MFI trainings for groups of staff rather than individuals, to avoid problems related to staff turnover. Also, by including more people from each MFI, understanding and buy-in for SPM across the MFI will increase.
- Do not mix all members in all activities. It is useful to organize some joint events, such as introductory workshops. But deeper workshops/ training/ TA should be provided to single MFIs or small groups (2-3) so that the real status of SPM implementation will be clear. Follow-up each training by referring back to the SPM action plan, and looking at new actions, roles and responsibilities that might arise as a result of the training.
- Train MFIs in effective change management to help them use technical inputs and training of their staff and apply it in the context of re-engineering its own operations.
- If reviewing indicators by dimension is challenging since they cross-cut different departments and functions, it's helpful to map indicators across functional areas. You can direct particular Managers to Dimensions relevant for their work. For guidance, see the **Universal Standards Implementation Guide** and **Smart Operations**.
- To better understand how different processes or systems should be adapted to SPM, review the SP Fund case studies, which use indicators from different dimensions to highlight SPM-related features of typical management solutions. You will find them [here](#).
- Download technical notes developed by the *Imp-Act* Consortium that highlight how to apply an SPM lens to risk management systems, incentive systems, etc. on the SPTF **SPM Resource Centre**.

The advantage of organizing peer learning meetings is that the dialogue and resources will all be in the local language (whereas many of the tools available at the global level are often English-only or available in the main global languages). When networks know the strengths and weaknesses of their members, they can link “local experts” and “learners” around key themes – either individually or as part of a group peer learning meeting (see **Box 10**).

**AMFIU** organized several half-day peer learning meetings, each on a specific topic agreed with its members. At each, both the network and pre-selected members presented their practice/tool, followed by a discussion around how others are working on the topic and what challenges they have. The network made sure to invite the right people to the meeting – e.g. senior managers responsible for the specific area under discussion (such as human resources).

When **CMF** noticed that MFIs were not implementing their action plans, it organized workshops for MFIs to discuss their challenges and report on their progress. As a result there was a greater visible effort to implement action plans and changes were introduced by MFIs.

### **Lesson: Action plan monitoring should be a joint effort**

Given the frequent routine contact between MFIs and networks, networks are very effective in action plan monitoring. This involves checking to confirm that key activities have been carried out, and problem-solving where delays or problems arise. This follow-up can occur as part of routine communication, or at dedicated meetings. Networks found it most useful to get everyone on board with action plan monitoring. This included:

- **Creating an “SPM committee” or core team at each MFI, to ensure a multi-departmental approach to implementation.** Regular meetings between this team and the network can be useful in terms of checking progress, and adapting the plan as needed.

- **Regular follow-up with MFI leadership to check in on progress, provide encouragement, or even advice.** Most networks also used the telephone to keep in regular (monthly or bi-monthly) contact with MFIs (email proved less effective) to check on progress and identify areas that needed support. In the case of the latter, most networks pointed them to existing online resources (e.g. tools, cases) on the topic in question.
- **Board involvement:** Some networks got the board involved and asked them to take responsibility for action plan monitoring, especially where these contained more fundamental changes (such as introducing a client complaint system, or the PPI).

At the beginning of its project, **AMFA** organized individual meetings with members’ executive directors. Then, when implementation problems emerged at a certain MFI, AMFA could contact the director to discuss ways to move the process forward.

### **Lesson: With regular progress monitoring and reporting to external stakeholders, MFIs are more likely to actively implement their action plans**

Having regular check-ins on the implementation process, driven either by interaction with external stakeholders or even simply from by use of a tool, helps to keep the implementation process going. Where there were incentives from investors or regulators, we observed that MFIs were particularly likely to introduce changes more rapidly.

- **PMN** noted the importance of sharing action plans with other stakeholders of each MFI (e.g. investors) so they can also monitor them and hold accountable for on-time implementation.
- Networks that hired external consultants to help MFIs improve gaps (e.g. **AMFIU**, **APSF-IC**) required consultants to provide assignment reports, detailing (for each visit) what was achieved, and what was the next step. In this way, each MFI had a clear plan with standards listed, identified gaps explained, steps

### **Box 10: Key tips for successful peer learning sessions**

- Find ways to “break the ice” within your peer MFI group, to encourage them to share their successes and challenges. Often sitting in a room full of competitors will make an MFI hesitant to disclose their challenges. For example, a network can first individually ask MFIs which topics they would like to focus on and start with the most common topics, presenting examples of good practice/tools available internationally. The other option is to finding 1-2 MFIs to be the “brave ones” to share their own experience. An example of tools/practices sharing workshop can be found [here](#).
- Don’t over-stretch your workshops. Half-day meetings are better for avoiding fatigue. If you leave your audience energized and wanting more, they’ll be more likely to come back for the next peer learning meeting.



needed to improve gaps, who was involved and the deadline.

- Most networks also combined TA visits with monitoring, so for example if there were 2-3 visits planned with an MFI to help with another activity (related or not) each visit was also used for monitoring.
- Some networks organized additional workshops after the action plan was agreed, for example **CMF** brought MFIs together to discuss progress, roadblocks, and the reasons behind the latter.

One effective monitoring technique is repeating the assessment/diagnosis, and comparing the result with the initial assessment. This helps MFIs see what they achieved, how their resources were used and if they are fulfilling the essential practices in the Universal Standards. For this, the networks assisted MFIs to conduct a diagnostic gap analysis in the beginning of SPM implementation project, which was first used to develop the action plan. After some improvements were introduced, a repeated gaps analysis conducted by several networks showed to which extent the MFI has progressed.

The SPI4 can be a useful tool<sup>5</sup> for regular “checks” in terms of tracking progress of improvements, and to find out if your practices more fully comply with the Universal Standards. Other networks used less time-intensive methods – for example in Ecuador, the network measured implementation progress by evaluating to which extent the initially developed action plan was introduced. **AMFIU**, Uganda assessed the results of changes introduced by comparing with assessment result and initial plan developed at the beginning of the project.

### NETWORKS AS RESOURCE CENTERS

Implementing SPM requires MFIs to consider operational and strategic change very deliberately. Having the right resources in place to support this

process is key (see **Box 11**). Networks have a role to play in terms of being “information clearing houses” to help provide members with (see **Box 12**):

**Examples of good practice:** Networks find that having case studies or tools from other MFIs in the industry are a good resource to guide and inspire members to implement new systems and processes. A range of case studies has been published as part of the SP Fund project, many of them available in local languages, and networks familiar with this body of work can leverage these resources in their support to members. Over the course of the project, partners from around the world wrote 28 case studies, which are available [here](#).

**Information on available tools:** Similarly, networks are also well-placed to advise members on technical tools to support different aspects of the SPM integration process. These are available on the **SPTF Resource Center**, including many contributed by SP Fund members themselves as part of this project.

**External technical support:** A real gap exists in terms of qualified external consultants who understand and can integrate an SPM lens into their work. Networks have a role to play in terms of keeping lists of “recommended consultants” whose work is of good quality. Networks can also train further consultants in SPM, and verify the quality of consultants’ work.

### The challenge of effectively documenting case studies

One key type of resource needed by MFIs is case studies on local examples of SPM implementation. Case studies are very useful since they provide practical examples of how to adapt/replicate good practice. They also help the MFIs that are described in case studies to think more critically about their current solutions, within which there is usually room for improvement. In this area, networks are very effective in identifying experiences and tools from their members that would be useful to share. It is important to note, however, that case studies

### Box 11: Overcoming the challenge of collecting local tools and practices

Project networks ran into an unexpected challenge when it came to encouraging peer sharing among members. Many MFIs were unwilling to share their tools and practices with their competition. In general, bigger and more mature MFIs often had good practices and tools in place, but were hesitant to share them publicly. Interestingly, small MFIs were ready to share their tools. These, however, were often less well-developed and less useful for sharing, and also shared with the expectation of a kind of “critical peer review” from the networks, to help them improve the tool itself. This was not always possible, due to limited network expertise in this area. One technique networks employed to address this challenge was organizing in-person group discussions. Sometimes, MFIs that had been unwilling to make key templates and policies available online were willing to share their tools informally in a group discussion setting.

take time and good qualifications to create, not only in collecting information from the MFI, but also in critically analyzing it and then writing about it.

Although networks can write case studies, this is not always advisable, as some network staff lack sufficient analytical and writing skills to excel at this task. The same applies to local consultants, although networks can help identify those that are qualified to write case studies. In the hiring process, it is important to check consultants' understanding of the Universal Standards beforehand, and to run a short workshop on the topic before the consultants begin writing. Hiring an editor afterwards to smooth the language and make the case study engaging is also beneficial. Ideally, the person at the network managing the case study write up and publication process should have previous training and/or experience in this area.

### NETWORKS AS TECHNICAL SUPPORT PROVIDERS

#### **Lesson: Few networks are effective in providing SPM-related technical assistance**

Most networks do not have training/technical support arms, and so lack the capacity for technical work. While it is true that some mainstream TA packages or trainings are generally available for networks to use, these are not typically adapted to the SPM approach. Furthermore, even if networks have functioning technical assistance (TA) units, often they lack expertise to develop new offerings and in particular, integrate SPM lenses into existing TA packages or trainings. There are, however, some notable exceptions.

For example, a few SPM-adapted packages exist in the industry for networks to use when providing TA to their members. These include: developing SMART objectives, poverty measurement, financial education TOTs, market research tools (see **Box 13**).

#### **Lesson: Where networks outsource technical support to members, finding the right support for SPM is a challenge**

The majority of networks do not have internal TA capacity, and instead help MFIs to identify consultants or/and monitor their work. Unfortunately, the availability and capacity of local consultants to deliver high-quality SPM technical assistance remains fairly low, which is a significant challenge to networks and their members in implementation of SPM. For example,

#### **Box 12: Key tips for being an effective information hub on good practice**

- Collect examples of good practice and tools on an ongoing basis. This includes collecting resources from your members. It also involves periodically checking the SPTF resource center – where new tools and examples are uploaded regularly.
- Share the information you collect, starting with informal discussion-based tool sharing, since MFIs tend to be more comfortable in this forum. (MFIs might be more tempted to share more publically later once they get used to doing so in group settings).
- Start with topics which are most pressing/interesting for your members.

#### **Box 13: Key tips for providing effective SPM technical support**

- For networks providing TA as a part of their regular activities, seek external support to revise existing TA packages to make sure they include an SPM dimension.
- Also consider developing new TA packages on the most relevant strategic and operational topics (including an SPM lens in the process).
- Verify the qualifications of TA providers and recommend those with expertise SPM.

**AMFIU** hired local consultants because it was not able to fully meet members' demand on its own. However, the network found it needed to create a monitoring system to not only check its members' progress, but also to monitor quality of the external technical assistance that members received.

## Annex one: SP Fund project aims, activities and key results

| Awareness raising component |                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Implementation component                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Aims</b>                 | Build awareness and commitment around the Universal Standards among a large number of MFIs<br>Identify MFIs ready to adopt the Universal Standards.                                                                                                                                                                                                                                                                                                                          | Demonstrate that the Essential Practices of the Universal Standards can be implemented.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Activities</b>           | Targeted awareness-raising campaigns, including presentations to MFIs, boards and other local stakeholders.<br>Translation of Universal Standards into local languages<br>Experience-sharing events for networks.                                                                                                                                                                                                                                                            | Identify at least 50 examples of existing good practices and managerial solutions in place supporting implementation of essential practices described by the Universal Standards<br>Document in more depth at least 20 examples and tools in the form of practical case studies highlighting the operational details and the business case for using them<br>Support practice improvement towards compliance with the Universal Standards in 10 countries with at least 70 MFIs (on average 7 MFIs per network will be assisted towards full/partial compliance with selected dimensions).<br>Facilitate Universal Standards field-testing and contribute to standards refinement by the Social Performance Task Force (SPTF)<br>Contribute to the process of indicators and benchmarks development for the USSPM carried out by the SPTF by identifying concrete solutions being practiced by different types of MFIs operating in different contexts<br>Develop and test practical approaches and tools with advanced networks to roll out more broadly in the longer-term (i.e.: less-experienced networks will initially focus on awareness-raising only). |
| <b>Support provided</b>     | Online trainings on the Universal Standards organized by the SPTF in French, English and Spanish<br>Key communication materials delivered by the SPTF for use by networks in 4 languages<br>Graphic templates of communications materials, for adaptation into local languages.<br>Funds to translate Universal Standards to local languages and/or produce informational materials (small grants of up to USD 2500)<br>Scholarships to participate in SPTF annual meetings. | Funds to networks to implement their work (grants of USD 45,000)<br>Scholarships to participate in SPTF annual meetings<br>Guidelines for discussing the Universal Standards with MFIs and identifying priority improvements<br>Guidelines for identifying good practices, tools, managerial solutions and templates<br>Guidelines for conducting workshops to disseminate tools with members<br>Guidelines for administering award for tools sharing<br>Guidelines for case study write-up.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Key results</b>          | 33 networks supported<br>12 scholarships for MFIs to participate in annual SPTF meetings<br>2,523 MFIs participated in Universal Standards presentations<br>181 various awareness raising activities conducted<br>20 local language translations<br>1 video about the Universal Standards.                                                                                                                                                                                   | 10 networks support SPM implementation with members<br>2 scholarships for MFIs and 23 for networks to participate in annual SPTF meetings<br>37 MFIs submit 133 managerial tools and solutions<br>21 MFIs fully completing SPM work plans<br>92 MFIs improving SPM practice introducing 1-3 improvements<br>28 case studies written to analyze good practice<br>8 case studies and 1 video translated into English, French, Spanish and Russian.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |