Introduction to SPI4

Webinar
SP Fund 3rd round

Social Performance Fund

3ʳᵈ round

Who we target?

- MFIs

- Country level networks

- Investors (Alinus group)

- Local Regulators

SP Fund offer for Microfinance Stakeholder

- On-line trainings (in English, Spanish and Russian) for network representatives, MFIs' managers, credit analysts and SPI4 auditors on the data collection and use of SPI4

- Off site individual TA for selected MFIs, networks and credit analysts

- Scholarships to participate at SPTF meeting in 2016 and 2017

CERISE

- Association focused on disseminating knowledge and tools for ethical finance

- **Founding members**: five French organizations specialized in microfinance

- **Partners**: MFIs, networks, TA providers, investors, donors, researchers, worldwide

- **Working areas**: impact and social performance, governance, rural and agricultural finance.

www.cerise-microfinance.org

Objectives

1. **What is SPI4**

2. **How to use SPI4**

    Structure - Demo
    Procedure/ technical resources on cerise-spi4
    Reporting
    Using data : prioritization, action plan, technical resources from SPTF & Smart.

3. **List the steps of SPI4 auditor qualification**

4. **Q&A**

What is SPI4?

- The **data collection and assessment tool** for the Universal Standards of SPM

- A social **audit tool** that allows MFIs to analyze their current SPM practices in a way that fits their budget and preferences

- A **flexible tool that can be tailored to the MFI's mission and stakeholders requirements** through optional modules on **poverty** and **environment**; a sub-selection for **investors' due diligence**

- A **reporting tool**

MICROFINANCE CENTRE
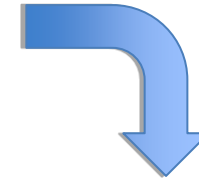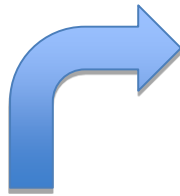
CERISE

SPI4 – why use it?

Learn and improve

Decrease FI reporting burden

Increase quality of SP data

Improve SP benchmarks

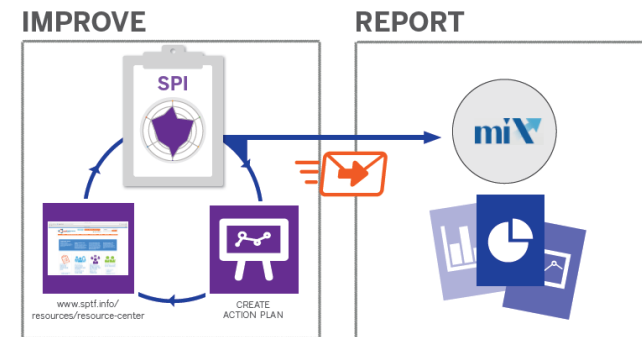**Measure, manage and improve to better serve clients!**

Social Performance TASK FORCE

MICROFINANCE CENTRE

CERISE

SPI4 is comprehensive, but the goal is to reduce the reporting burden on FIs

The reporting burden on FIs is high.

Investors' due diligence

Each initiative requires a different report.

IMPROVE

REPORT

SPI4 standardizes reporting across stakeholder groups and thereby reduces the burden on FIs.

Free tool, but in exchange

- **Keep us informed!**
  - You'll be up to date with any changes, and can help reduce reporting burden on MFIs!

- **Share results with CERISE (confidentially)!**
  - Auditors must agree to provide CERISE the **filled-in questionnaire** and **summary report with action plan** after each audit (with FI authorization), for <u>confidential</u> entry into the SPI4 database. This data is used for benchmarking purposes.
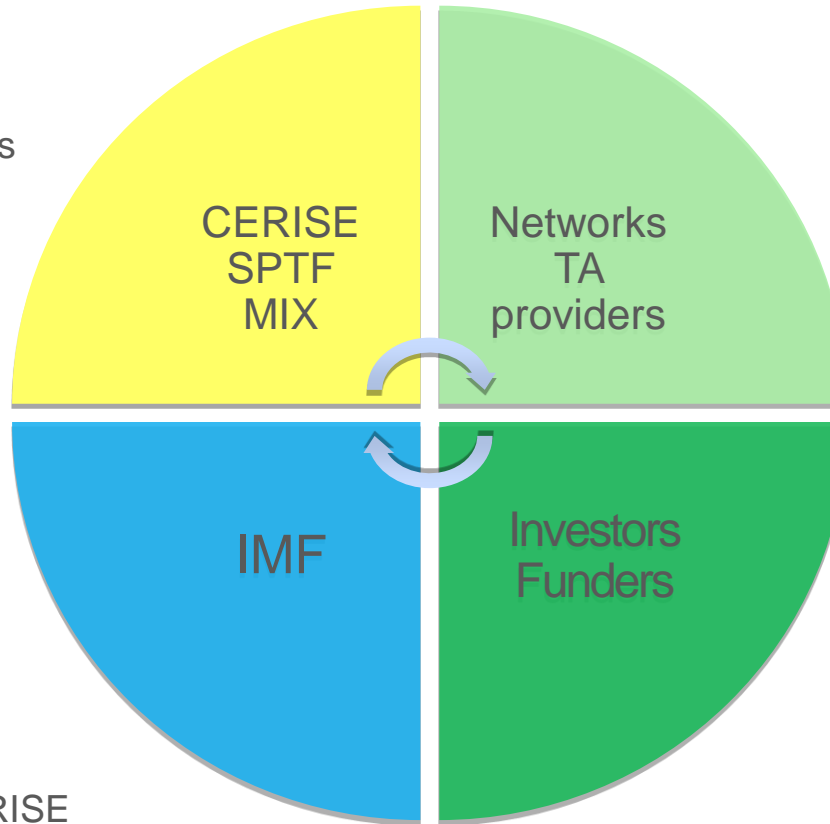
SPI4 demo

www.cerise-spi4.org

SPI4 Audit Process

Commitment of SPI4 stakeholders

- Training, qualification, support
- Centralization of results
- Database

CERISE SPTF MIX

Networks TA providers

- Support MFIs in conducting assessments
- Support MFIs in improving practices
- Share results with CERISE
- Develop country reports

IMF

Investors Funders

- Conduct assessments
- Use results to improve practices
- Share results with CERISE
- Share results at the network level

- ALINUS sub-set
- Support MFIs in improving practices

ALINUS Working group

ALigning INvestors' due-diligence and reporting to the Universal Standards

- A working group of investors and fund managers committed to using the [Universal Standards](#)/[SPI4](#) in their investments

- 12 MIVs committed to develop a joint selection, and test it in their due diligence process

ALINUS demo

Resources

www.cerise-spi4.org

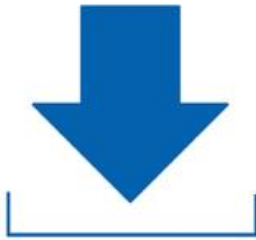14 PASSAGE DUBAIL, 75010 PARIS   +33(0)1 40 36 92 92

CERISE   ENGLISH   FRANÇAIS   ESPAÑOL   FAQ   CONTACT

DOWNLOAD SPI4   CONDUCT AN AUDIT   GET TRAINED

SPI4 version 1.2.4 and its functionalities

Versions: beta, 1.1, 1.2, …and now 1.2.4 since Oct 2015

- Indicators are stable !
- Different versions = new functionalities, greater stability

New Functionalities in SPI4 :

- Smart Assessment Import, ADA/BRS Microfact Factsheet import
- Truelift Poverty Module
- Personalised reporting for Opportunity Int'l, Cordaid
- ALINUS
- APR Calculation Tool
- Tool in English, French, Spanish, Portuguese, Russian.

Version SPI 1.3 (early 2016):

- Tool in Arab
- Filtering options by typical MFI operational areas
- Automatic import/export from the Mix

Reporting

- SPI4 questionnaire completed

- Summary of results/ Report (see template on the website)
- Action plan (see template on the website)

All documents must be shared with the MFI

Using results efficiently

What do you typically do after a diagnostic?

Sample Action Plan

| | | | Agenda | | | | | | | | | | | | Objectivo |
| | | | Ano 1 | | | | | | | | | | | | |
			Av	May	Jun	Jul	Ag	Sep	Oct	Nov	Dec	Ene	Feb	Mar	
0	0.1	Finalisar Accion Plan	▩												Llenar este documento Excel
1	1.1	Verificar con el Gerente de Tecnología de Información, cuales son los datos que ya existen		▩											
	1.2	Discutir cual tipo de agregación/segmentación sería interesante			▩										
	1.3	Generar los indicadores seleccionados				▩									
Sistematisacion de informacion sobre los clientes	1.4	Discutir de los resultados, de la manera de analizarlos, de los ajustes necesarios en los indicadores					▩								
	1.5	Adaptación y ajustes						▩							
	1.6	Base de informe sobre los datos de los clientes							▩	▩					
	1.7	Memoria anual									▩	▩			
	1.8	Finalisacion de un Tablero de DS											▩	▩	
2	2.1	Análisis de las practicas actuales		▩											
	2.2	Definir un proceso para manejar las quejas		▩											
Mecanismo de quejas	2.3-2.5	Manual de Gestión de quejas			▩	▩	▩								
	2.6	Informacion a los clientes							▩	▩	▩				
	2.7	Capacitation a los oficiales							▩	▩					
	2.8	Uso de las informaciones para mejorar los servicios y productos											▩		
Otros?															

Prioritizing the gaps. Consider:

1. How an action will benefit **clients.**

2. How an action fits the institution's **strategic priorities.**

3. A **risk management** perspective – what are the burning issues that pose an institutional risk?

4. **Time and resources** required (human and financial).

   ☐ Client protection weaknesses should be a priority.

Example: prioritizing by value for clients – looking for quick wins

High value for clients or MFI	High value/ high effort	High value/medium effort	High value/easy	High value/easy
	Medium value/ high effort	Medium value/medium effort	Medium value/medium effort	High value/easy
	Low value/high effort	Medium value/medium effort	Medium value/medium effort	Medium value/ low effort
Low value	Low value/high effort	Low value/ high effort	Low value/ medium effort	Low value/ low effort
	High level of effort			Low level of effort

Source: Oikocredit SPM Mentoring Guide

Supporting Implementation

Key resources for implementation

- **SPTF** : Resource center + Implementation guide http://www.sptf.info/resources
- **Smart Campaign** http://smartcampaign.org
- **Truelift** http://sealofexcellence.wordpress.com
- **PPI Standards of Use** http://www.progressoutofpoverty.org/
- **Green Performance agenda** http://gpa4mf.blogspot.com/

Institutionalize SPM

- SPM Champion versus SPM Committee

- Integrate client focus in strategic documents

- Collection of data on financial and social performance to take decisions : integrate client data in the MIS

- Internal and external communication on the double-bottom line of the MFI: social objective in the reporting frameworks

- Take client focus in to account TA

SPI4 auditor qualification

Why?

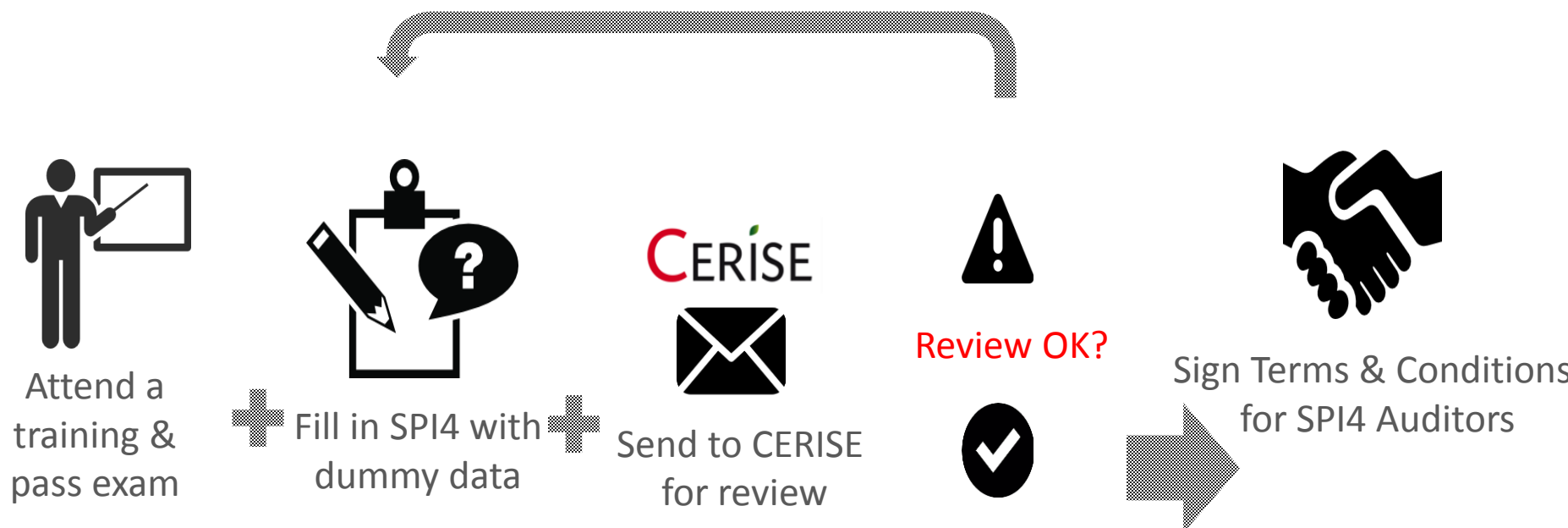- More efficient use of tool, more reliable results

Who?

- Anyone interested: individuals and organizations

How?

1. Training phase

Attend a training & pass exam

Fill in SPI4 with dummy data

Send to CERISE for review

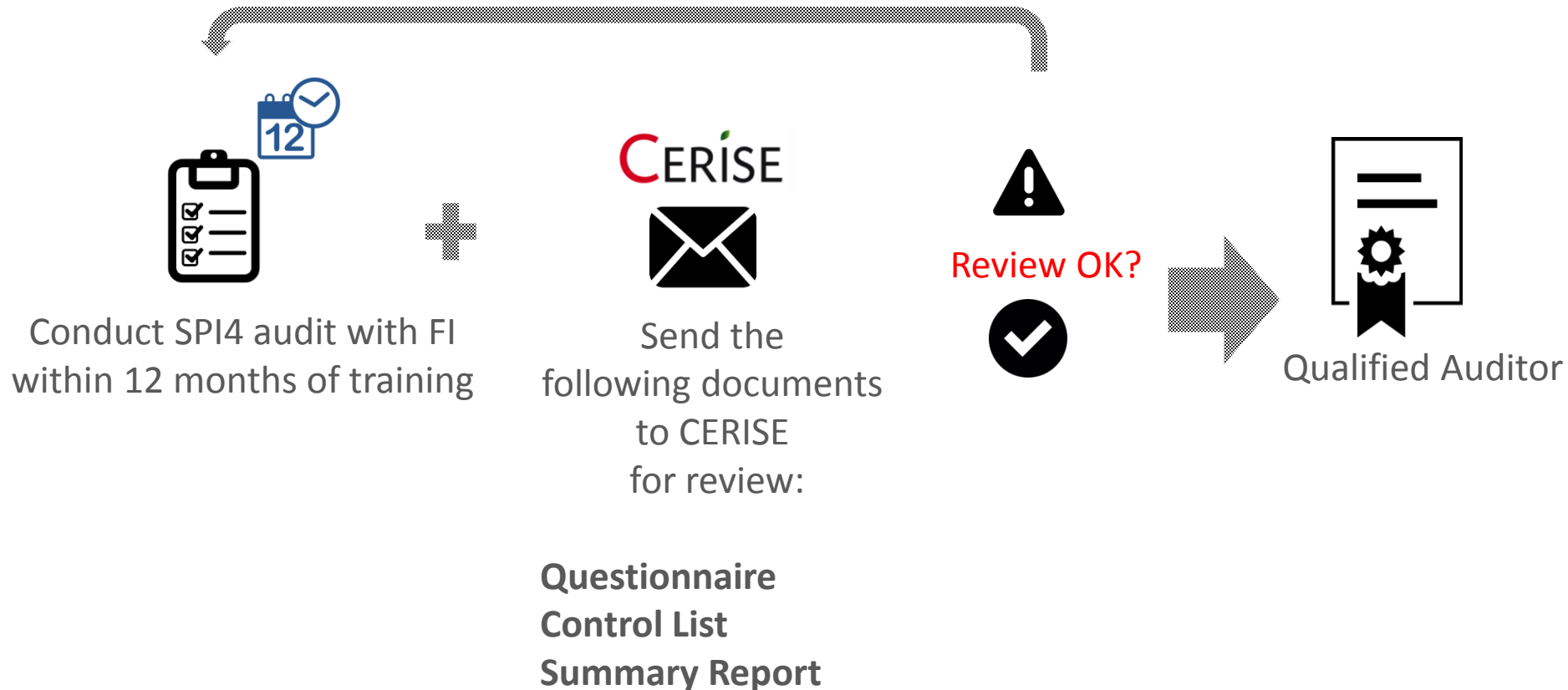Review OK?

Sign Terms & Conditions for SPI4 Auditors

Next opportunity: Albaniaj June 2016

Criteria for review:
- Are all the indicators filled in?
- Have clarificaitons/comments been filled for some of the indicators?
- Do the clarifications help justify the the scoring?
- Are answers consistent and coherent?

2. Practical phase

Conduct SPI4 audit with FI within 12 months of training

Send the following documents to CERISE for review:

Questionnaire
Control List
Summary Report

Review OK?

Qualified Auditor

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