

Session 11: SP Standard Reporting

Summary of the session

Objectives	<p><u>The purpose of this session is to allow participants getting familiar with SPS Report format so that they are able to fill it in.</u></p> <p><u>By the end of the session participants will have:</u></p> <ul style="list-style-type: none"> • Reviewed the SPS indicators in depth • Understood the choice of indicators as standard reporting • Clarified interpretation of the indicators • Discussed the challenges related to information collection
Time/ Duration	240 mins
Slides number	none
Materials	<ul style="list-style-type: none"> • MIX Profile Update Form • MIX SP &FP Form • Handout11.3: where to find information
Trainer preparation	<p><u>Before the session starts:</u></p> <ul style="list-style-type: none"> • If participants need to be refreshed or introduced to SPM and SPS Reporting, this session should be preceded by Sessions <i>Introduction to Social Performance and Social Performance Management</i> and <i>Introduction to SPS Reporting</i> • Read in advance the definitions of each indicator provided in the Glossary in each of the SPS Report files • Prepare the flipchart with SP pathway and put it on the wall. Refer to it while introducing each part of the report.
Session delivery	
1. Introduction	<p><i>During this session, we are going to look at the indicators in depth, and we will fill in the SPS Report. Of course, we may not be able to answer all the questions today (as you might need to go back to your institution and produce, for example, the report from MIS). However, at least, we will be able to identify which information we need and how to identify it in your MFIs.</i></p> <p><i>Underline the following: the report intends on capturing the sector data – this is the primary goal. While filling in the report, we want to receive a current, real picture of the MFI. There are two points to remember about while working on SPS report, which we can summarize as ‘It’s ok to be yourself’:</i></p> <ol style="list-style-type: none"> 1. <i>This is a global reporting and indicators are standardized to capture the data from very diversified MFIs, from various countries and various contexts. What is relevant for us, does not have to be relevant for an MFI in Africa, and opposite. For this reason, the fact that we don’t have savings, does not mean we are expected to introduce savings products</i>

	<p>to be called a socially oriented MFI.</p> <p>2. We do not report on who we want to become – we report on who we are today. The transparency is not about being perfect – it is being honest where we are with our performance. It is ok to have gaps. Addressing gaps is a next steps. Now let's focus on capturing the current picture of your MFI.</p>
<p>2. Mission and social goals</p> <p>(20 min)</p> <p><i>(Exercise)</i></p>	<p>(5 min) Introduce exercise.</p> <p>Divide participants into institutional groups. Distribute the SPS Report Handouts (2 pieces).</p> <p><u>Say:</u></p> <p>Now we will fill in the report step by step. Let's start from Social Performance Information (file MIX Profile Update Form). The first section relates to Mission and Social Goals. During the previous days (or previous training) we have discussed mission and social goals- social aspiration of the institution. We learnt that without clear goals and objectives, a Microfinance Institution does not know where to go. The clear objectives are your compass during the journey.</p> <ul style="list-style-type: none"> • Clear mission is fundamental to purposeful performance – it sets up the ultimate direction of organization's development • Clear definition of target clients means MFI is purposeful in who it tries to reach through its operations. Not everybody needs to serve the poorest – MFIs have different target groups since different segments of the market are in need for different services. Therefore, it is important an MFI is clear whom it aims to reach <p>TARGET clients does not mean ALL Clients – target clients mean the key group of interest. If women are your target clients, it does not mean you have to have 100% of female clients. It may be 90%/10%; 60%/40%, or even 40%/60% (more men than women) – it depends on country context.</p> <ul style="list-style-type: none"> • Defining your development goals, means you are clear in what you want to see as impact on target clients; Missions are often too general to specify the changes MFI intends to achieve in terms of impact on its clients. This indicators research "change" aspect more in depth. <p>That is why the SPS report starts with asking MFIs about their social aspirations.</p> <p>(5 min)</p> <p>Next, ask participants to fill in the first section: Mission and Social Goals. Allow participants filling in the report in institutional groups.</p> <p>Next, clarify any questions or concerns regarding the meaning. For example:</p> <ul style="list-style-type: none"> • Increased access to financial services: an MFI aims to outreach to clients, who have no access to financial institutions or banks • Poverty reduction: contributing to improvement of economic conditions of poor and very poor people • Employment generation: not necessarily focused on poor

entrepreneurs; aiming at supporting businesses, which start to employ more people as a result of using the services

- Development of start-up enterprises: focus on those clients, who want to start a new business (it can be done both through financial and non-financial services, like business skills development training)
- Growth of existing businesses: focus on supporting clients who have existing businesses, which grow as a result of financial intervention
- Improvement of adult education: focus on creating opportunities (economical and environmental) to allow adult people to learn/study. Examples of intervention: literacy courses for clients, educational loans, savings for education, etc.
- Youth opportunities: focus on young people (usually below 18 years old, or defined in a different way (i.e. below 25)); supporting young people in their economic activities and/or education
- Health improvement: focus on improving health care conditions: educational trainings, health microinsurance, investments in hygiene improvements in community
- Gender equality and women empowerment: usually focus on female clients or on cooperation of women and men at the level of household, to strengthen the position of woman through improving economic and social conditions
- Housing: focus on providing solutions improving housing conditions of clients (loans, partnerships to build houses, etc)

(5 min)

Ask one or two volunteers per question to share their answers and comment on them. While discussing the filled section, make sure to emphasize the following:

- you don't have to rank all the choices – rank only the ones that your MFI works with. The more precise the choice of target clients and development objectives is, the better (first two questions in the section)
- The question about poverty levels relate only to those MFIs that marked poverty reduction in the previous question; or which state it in their mission. It is not a question to be filled in by everyone.

Ask them if they are able to provide all the answers. If not, ask them, which questions are not clear. Next, discuss with them, where they can find the answers (see handout where to find the answer – distribute it in the end)

In the end, ask everyone to prepare a piece of paper, called 'next steps'. The institutions, which identified information gaps (i.e. are not clear about who are the target clients) should write down the discussed solution of where they can find the answer.

Recap the main point: the key point is for SPM to be clear about what you want to achieve as an institution: who you want to target, how you want to work with your clients, and what your contribution to their lives is. We first need to be clear about what we want to achieve, only then are we able to follow the path to our objectives.

NOTE: do not focus on ranking, but on making choices – what the focus of an

	<p>MFI is in terms of target clients and desired change.</p> <p><u>Attention:</u> link to the session/training on clarifying mission and setting objectives – that they/their colleagues/supervisors already went through training on clarifying social aspirations so if they are not clear people should go through this exercise in their MFIs. The people trained can facilitate this process to make it clear for their MFIs and then be able to share it with a wider industry through the MIX report</p>
<p>3.Governance</p> <p>(20 min)</p>	<p><u>Ask participants:</u></p> <ul style="list-style-type: none"> • What is the role of the board in each MFI? <p>Collect answers and <u>sum up:</u></p> <p><i>The role of the board is to safeguard the mission of the institution through approving strategies both for social and financial performance and monitor the achievement of overall goals of the institution.</i></p> <p><i>In the previous step we defined what our social goals are. Now it's time to report on how our governance supports achievement of those goals.</i></p> <p><u>Ask:</u></p> <ul style="list-style-type: none"> • Why does the SPS Report ask about the Board of Directors? <p>Answer: 1) Governance is a process by which a board of directors guides an institution in fulfilling its corporate mission. 2) The board members are not able to monitor and make decisions related to SPM, if they don't know what it is. They cannot assess results in SP, if they don't understand what to measure.</p> <p>Next, ask participants to answer the questions on Governance.</p> <p>Clarify any questions or concerns regarding the meaning. For example:</p> <ul style="list-style-type: none"> • Training on SPM: it relates to current set of board members – did they go through any formal discussions on SPM? This can be a one day event, half day event, 3 day event –they need to understand what we call SPM • Formal committee on SP: selected board members (1-2 or 3 out of the whole board) who meet or exchange communication focused on social performance. Not all the boards have to work as committees. However, it has been defined as best practice. If your board does not have formal committee, but does discuss SP, still you have to answer no. <p>Ask one or two volunteers per question to share their answers and comment on them.</p> <p>Ask them if they are able to provide all the answers. If not, ask them, which are not clear. Next, discuss with them, where they can find the answer (see handout where to find the answer)</p> <p>Those institutions, which identified information gaps (i.e. are not clear if there is a SP committee) should write down the discussed solution of where they can find the answer.</p> <p><u>Sum up:</u></p> <p><i>Answering those questions, we can see how much the board does support SPM – do they know at all what we talk about, and do they care about it (through the monitoring of results). The Board is responsible for strategic decision of the</i></p>

	<p><i>MFIs- it considers sales targets, new products, investments. We need to make sure that in those decisions, social goals are taken into account, otherwise the MFIs will be driven by financial imperatives only and will risk a mission drift.</i></p> <p><i>Only if SP is important to the Board, the management will be encouraged and supported in including SP info into decision making and focusing on balanced management.</i></p> <p>Refer them back to the governance section of universal standards. This is the place they should look for a concrete solution to improve their governance systems.</p>
<p>4. Products (30 min)</p>	<p><u>Say:</u></p> <p><i>In the first step, we identified who we want to serve and why – what we want to change. Now, it’s time to answer the question how we want to serve them. The big issue of serving the target clients with a certain social goal (i.e. decreasing poverty) is to offer them products and services which will meet the needs of this concrete group of people and will indeed lead them to the improvement we want to see. Farmers and urban traders have different business needs. They will need various products. Why do we have to report on products and services offered?</i></p> <ul style="list-style-type: none"> • The diversification of products offered is considered to be one of the indicators proving MFIs seek to meet their target clients’ needs. MFI is expected to offer appropriate products to its target group. • Non financial services are considered to be a good practice of microfinance and reflection of responsibility towards clients, as they require additional effort from an MFI • Socially oriented MFIs focus on Clients and seek constantly to add values to its financial services <p>Ask participants to fill in the next session: Range of products and Services. Allow them working in institutional groups. Walk around as they fill in their answers, and answer any questions.</p> <p>(20 min)</p> <p>Participants should only choose products and services, which were offered in the year of reporting (in our case, in 2010). They should not report about their plans on introducing a new product (they would do it next year, when it has been introduced). They should not report also on the products or services, which are no longer offered. Refer to definitions included in the report (“Glossary”).</p> <p>Ask one or two volunteers per question to share their answers and comment on</p>

	<p>them. Ask them if they are able to provide all the answers. If not, ask them, which questions are not clear. Next, discuss with them, where they can find the answer (see handout where to find the answer).</p> <p>Those institutions, which identified information gaps (i.e. they are not clear which non financial services are offered by their MFI) should write down the discussed solution of where they can find the answer.</p> <p><u>Recap main point:</u> <i>Initially, we identified who our target clients are. Now, the next step is to have products and services, which meet the needs of our target clients. Through this information (knowing the offer of the MFI) we can see, if the strategy to serve the target clients makes sense and how effectively it will achieve the social goals (for example, if an MFI aims at improving housing conditions, but offers no products related to this – it is not the best practice).</i></p>
<p>5. Client Protection (40 min)</p>	<p>(5 min) <u>Say:</u></p> <p><i>During our previous sessions / trainings we learnt that social responsibility to clients (client protection) is a minimum standard for all the financial institutions. Even if an MFI is not interested in social promise and presents a very commercial approach, they should not harm the clients. There is no rationale for not reporting on client protection principles.</i></p> <p>Ask participants to fill in the next section: Social Responsibility to Clients and Transparency of Costs and Service to Clients. Emphasize that this is aligned with 7 Principles of Client Protection, promoted by Smart Campaign.</p> <p><u>Say:</u></p> <p><i>These are the process related indicators. They are short, but they cover a lot of information about institution's systems and procedures. This is the most challenging part, as it is easy to answer. It's easy to answer yes, of course. But practice shows that not many MFIs are actually fully aligned with the principles of CP. Filling in the report, MFI should compare its practices of client protection with best standards. The best standards are currently set by Smart Campaign.</i></p> <p>Institutions which went through Client Protection Assessment, will have no trouble filling in this section.</p> <p>(10 min) Next, ask participants to fill in the report.</p> <p>In plenary, ask volunteers which practices they answered yes to. Next, ask them to describe the practices. Together with other participants, assess if they are right providing the answer 'yes'. Use the Handout 11.3 Where to find the information to challenge the volunteers.</p> <p>(35 min) Ask them if they are able to provide all the answers. If not, ask them, which are not clear. Next, discuss with them, where they can find the answer (see handout where to find the answer)</p> <p>Those institutions, which identified information gaps (i.e. are not clear about some practice) should write down the discussed solution of where they can find the answer.</p> <p><u>Recap main point:</u></p>

Client Protection is the minimum standard for all microfinance institutions, no matter what their social aspirations are. The CP indicators in the report are process related and it's not enough to answer yes or no. Before you provide the answer, reflect on your institution, its procedures and practices. CP assessment would help you understand fully the principles and practices resulting from aligning your systems to the principles.

6. HR
(35 min)

(10 min)

Regardless of technologies, great strategy and supportive board of directors, it is the staff of MFI which work with clients and are directly responsible for the quality of products and services, as well as for the implementation of client protection. Thus, SPS report discusses HR for the following reasons:

- These are employees who make your mission achieved. Their performance depends not only on their salary, but also on how they are treated.
- Human resources policy is important to ensure that employees are treated fairly. At the same time, it is important to monitor employee satisfaction and have a system in place to understand employees concerns and needs. This indicator assesses the MFI's policy regarding social responsibility to staff, by looking at its human resources policy, systems to monitor employees satisfaction and staff turnover rate, as a measure of staff satisfaction.
- Staff incentives: if an MFI wants to balance both social and financial performance, all levels of staff should be motivated by being rewarded for the achievement of both types of goals.

Ask participants to read the Human Resources and Staff Incentives part.

(25 min)

Walk around and discuss any issues related to understanding of indicators:

- Mark the options, which are included in your CURRENT policy (do not mark what used to be there in the past or which you plan to introduce)
- Clarify the definition and rationale for incentives indicators:

Indicator	What is strengthened by this indicator?
Ability to attract new clients from target market	Growth within defined target client group
Outreach to remote/rural communities	Focus on searching for clients in rural or remote areas
Outreach to women	Focus on female clients
Quality of interaction with clients based on client feedback mechanism	Quality of services delivered to clients
Quality of social data collected	Making sure the SP related data is of high quality so that an MFI can make informed decisions based on collected information
Client retention/drop-out rate	Working towards building loyalty of

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<p>7. SR to environment (10 min)</p>	<p>Ask one or two volunteers per question to share their answers and comment on them.</p> <p>Ask participants, if they are able to provide all the answers. If not, ask them, which questions are not clear. Next, discuss with them, where they can find the answer (see handout where to find the answer)</p> <p>Those institutions, which identified information gaps should write down the discussed solution of where they can find the answer.</p> <p>Recap main point: satisfied staff will be committed to achievement of the goals. Even with committed staff, an improperly designed staff incentive system may spoil performance. Therefore, the incentives need to be in line with your goals.</p> <p>Some people say we should talk about triple bottom line management, not double bottom line management. The three lines mean: financial performance, social performance and environmental performance. In many countries with the deteriorating state of environment, many MFIs take on the responsibility not to harm the environment. There are separate organizations that aim to protect the environment; microfinance should at least do no harm. Thus, the related question in SPS Report.</p> <p>Ask participants to fill in the Social Responsibility to the Environment part.</p> <p>Clarify any issues:</p> <table border="1"> <thead> <tr> <th data-bbox="533 1223 970 1256">indicator</th> <th data-bbox="975 1223 1401 1256">Definition</th> </tr> </thead> <tbody> <tr> <td data-bbox="533 1263 970 1518">The institution raises clients' awareness about environmental impacts</td> <td data-bbox="975 1263 1401 1518">MFI informs clients how human activities, especially business activity may harm or positively impact the environment and what the consequences are. For example: organic farming; or charcoal production.</td> </tr> <tr> <td data-bbox="533 1525 970 1682">The institution trains/educates clients regarding environmental improvements</td> <td data-bbox="975 1525 1401 1682">Solutions aiming at introducing good practices leading to 'do no harm to environment' or practices of positive impact on environment are presented.</td> </tr> <tr> <td data-bbox="533 1688 970 1879">Specific clauses in the loan contract are included to mitigate specific environmental risks</td> <td data-bbox="975 1688 1401 1879">For example: the loan cannot be used for specific business activities (i.e. production of toxic waste) or, on the other hand, that the loan should be used for utilizing some toxic waste in a special way</td> </tr> <tr> <td data-bbox="533 1886 970 1946">The institution identifies enterprises with environmental risk</td> <td data-bbox="975 1886 1401 1946">For example: charcoal producers</td> </tr> <tr> <td data-bbox="533 1953 970 2036">The institution offers lending lines linked to alternative energies</td> <td data-bbox="975 1953 1401 2036">For example, special loan products supporting installation of solar batteries</td> </tr> </tbody> </table>	indicator	Definition	The institution raises clients' awareness about environmental impacts	MFI informs clients how human activities, especially business activity may harm or positively impact the environment and what the consequences are. For example: organic farming; or charcoal production.	The institution trains/educates clients regarding environmental improvements	Solutions aiming at introducing good practices leading to 'do no harm to environment' or practices of positive impact on environment are presented.	Specific clauses in the loan contract are included to mitigate specific environmental risks	For example: the loan cannot be used for specific business activities (i.e. production of toxic waste) or, on the other hand, that the loan should be used for utilizing some toxic waste in a special way	The institution identifies enterprises with environmental risk	For example: charcoal producers	The institution offers lending lines linked to alternative energies	For example, special loan products supporting installation of solar batteries
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<p>8. Poverty assessment</p> <p>(15 min)</p>	<p>(3 min)</p> <p>The last question in this part of the report (before we come to the results part) focuses on how an MFI measures poverty outreach. Poverty reduction is one of the key social promises of microfinance.</p> <ul style="list-style-type: none"> • By using appropriate poverty assessment tools an MFI can be sure of targeting the right type of client – as most MFIs are trying to provide services to poor population • Client poverty data on entry is also necessary to evaluate changes in their poverty levels as they stay with an MFI for some period (3, 5 years) <p>However, there are many ways and approaches to measure it. Thus SPS Report clarifies first the methodology, with which poverty is measured. This question is only for those MFIs, which measure poverty.</p> <p>(10 min)</p> <p>Ask participants to fill in the Poverty Outreach section.</p> <p>Clarify any issues related to listed methodologies:</p> <ul style="list-style-type: none"> • <u>Progress Out of Poverty Index (PPI)</u> CGAP-FORD, Grameen: the PPI is a composite of 10 easy-to-collect, non-financial indicators such as family size, the number of children (attending school), type of housing and assets, linked to a poverty likelihood score, according to different poverty lines. Each PPI is specific to its particular country characteristics as each is based on a recent national household survey that covers expenditure or income. • <u>IRIS/USAID Poverty Assessment Tool (PAT)</u>: also based on recent national household surveys that cover expenditure or income, PAT is a country-specific questionnaire of 15-18 indicators that are benchmarked to different poverty lines. (Initially designed to report on the % of clients who are 'very poor' according to the legislative definition of 'extreme poverty' for the country in question). • <u>Per capita household expenditure</u>: sum of total household expenditure (for consumption or non-consumption) divided by the number of members living in the household 		

	<ul style="list-style-type: none"> • <u>Per capita household income</u>: aggregate income from all household income from work, capital and government transfers, cash and in-kind - divided by the number of members living in the household). • <u>Housing index</u>: the Housing Index uses the structure of the house and sometimes the compound, the material used for building the house, the number of rooms, the presence of running water and bathroom facilities to differentiate between economic levels of households and identify those who are poor. • <u>Participatory wealth ranking (PWR)</u>: PWR relies on criteria that communities themselves define to conduct assessments of who within their communities they deem to be poor and who are relatively better off. PWR lets communities themselves define what constitutes poverty and relative well being and lets communities then classify households according to relative levels of poverty. • <u>Means test</u>: the means test uses a very simplified household survey to determine poverty levels of households. A small number of relatively easily verifiable and generally asset based indicators are used, including land ownership, livestock ownership, ownership of radio, television, etc. Other indicators that may be used are educational levels or social indicators. A composite score is then derived to rank households. • <u>Food security index</u>: it is a quantitative assessment of the availability, stability and access to food supplies in each country, as well as the nutritional outcomes that result from food insecurity. <p>Ask participants if they have any questions or need clarification. Clarify any issues related to the definition of the indicators.</p> <p>Ask them if they are able to provide all the answers. If not, ask them, which questions are not clear. Next, discuss with them, where they can find the answer (see Handout: where to find the answer)</p> <p>Those institutions, which identified information gaps, should write down the discussed solution of where they can find the answer.</p>
<p>9. SP results</p> <p>(60 min)</p>	<p>(20 min)</p> <p><u>Say:</u></p> <p><i>In the previous steps, we have been discussing the design of the institution (the mission, goals, policies) and supporting systems (HR, products, poverty measurement). We discussed what an MFI looks like and how it works. Now it's time to take a look at what results from an MFI – what are the outputs – what are the results? We will take a look at the numbers – as this is what interests everybody most – how many poor people are targeted? How many female clients are there? etc.</i></p> <p>Ask participants to open the MIX SP&FP form and fill it in. In most cases they will not be able to provide the data, but you should encourage them to write down what they think the result is, and note where they can find information or who to ask about it to clarify it.</p> <p>(40 min)</p> <p>When they are ready, discuss with them the indicators. Ask which indicators are surprising to them. Clarify each indicator:</p> <ul style="list-style-type: none"> • # of employees and staff turn- over – a high turnover means there is

something wrong going on in the MFI. We said staff are a key success factor in mission realization. So if a large number of staff leave too often, it's a warning signal. Maybe the HR system needs to be improved, or some other issues are causing this.

- Staff and gender: gender equality is also one of the issues of concern in MFI. From this question we can see if women have access to managerial positions, or they work only in the back office.
- Clients outreach – this question testifies if you really outreach to those you defined as a target group.

Gender: If an MFI has women as its target market, then any initiative in place needs to be reflected in the number of women clients actually reached. This indicator assesses the number of women clients (borrowers and savers) reached by the MFI

RURAL: The provision of financial services to different geographic areas can support income and employment generation to under-served rural and urban clients. This indicator assesses the number of clients reached in the different geographical areas and in the areas below the national average level of development. The latter is also indicative of an MFIs likelihood to reach lower income population. Areas with lower than average development level will have limited service providers, thus an MFI will be more likely to contribute to the provision of access to financial services.

- Loan portfolio breakdown – this indicator further shows us the focus of an MFI – where the 'heart' of MFI goes to. If a relatively big portion of portfolio is in loans for rural clients, it means that the MFI really cares about rural clients. If women are key target group, but 70% of portfolio is in loans for men, it means that MFI prefers businesses run by men.

Note: Category 'enterprises' in gender section means enterprises with legal entity status only – it means the products are used by a company, not an individual person (male or female).

- Infrastructure and borrowers: this question verifies the effectiveness of MFI in relationship with clients – the more clients per loan officer, the less time for building the relationship with client. On the other hand, the less clients per loan officer, the less effective the loan officer is. So it's tricky. You may also see how big the back office is.
- Non-financial services – question verifying how many clients accessed non-financial services. Again, imagine an MFI declared the training on how to run business is offered to clients. However, less than 2% of clients accessed this training during the reporting period. Is it therefore an effective delivery of non-financial services, or just a nice marketing speech?
- Enterprises Financed and Employment Creation – this question verifies the achievement of social goals related to business creation.

Highlight:

- For all questions you are supposed to provide concrete numbers of employees and clients, or portfolio for specific group of product or client type.

Next, say:

Currently you may not be able to answer most of the questions, as the data is hidden in your institution. Let's discuss now where you will be able to find information to populate report.

Walk participants through indicator by indicator and discuss where to find information:

Indicator	Where to find
Employees	HR
Employees by gender	HR
Borrowers characterization	MIS
Portfolio breakdown	MIS
Products and portfolio by products	Product offer description MIS
Infrastructure and borrowers	MIS
Non-financial services	Operations department
Enterprises Financed and Employment Creation	MIS, research department

Next, ask participants which indicators they are not able to fill in. Discuss with them how an institution can start collecting this data.

Type of indicator	How to collect
Gender Rural/urban Age Enterprise	Add information to application form. Enter into MIS. <i>These are indicators relatively easy to track</i>
Portfolio breakdown	For each group of clients, the individual amount of loans should be summed up. If the amount of loan is tracked at the level of each client, MIS can produce such cross-checking.
Non-financial services	MFI should track the number of clients participating in each training/event. This can be tracked and stored separately to MIS
Number of microenterprises financed	MFI should define what 'microenterprise' means. Based on the criteria, each business client should be classified as 'microenterprise' or other. In the end, MFI is able to identify the total

		number of all clients defined as microenterprise.
	Number of start-up microenterprises financed	<p>The start-up business is usually defined as business started by an entrepreneur, who has no previous business history.</p> <p>Each client can be classified as 'beginning the business' or other. In the end, MFI is able to identify the total number of all clients defined as 'start-up'.</p>
	Number of people employed in the financed enterprises	<p>There are easier (more as proxy indicator) and more comprehensive approaches to measure this.</p> <ol style="list-style-type: none"> 1. Each client can be asked about the number of people employed at the beginning of the loan and at the moment of repayment. However, this is a very subjective and not very reliable way to collect information 2. Research study of a sample of clients to measure employment. This is more intensive and expensive way, but provides better quality of data
Institutions that identified information gaps should write down the discussed solution of how they can start reporting the missing data.		
10. Conclusion and Closing (10 min)	<p>Conclude by saying that being able to measure the achievement of social goals is key for the institution from the managerial point of view. It is also very important for the MFI to be able to prove that it is part of development finance, which has been created to bring social results, while the financial is only a way to be able to achieve the social.</p> <p>Recap the learning points:</p> <ul style="list-style-type: none"> • Indicators demonstrating achievement of social goals are crucial for the MFI for management purposes. (Is the MFI still on the right track in achieving the mission?) • Outreach indicator assesses the ability of the MFI to reach its target market • Clients outreach can also be measured in terms of number of clients benefiting from non financial services • Employment indicator measures opportunities generated by the supported enterprises • Poverty measurement indicator allows the MFI to assess whether clients move out of poverty • If the social goals of the MFI are not illustrated in the SP report, the institution should come up with specific indicators to be able to track 	

these

Congratulate the participants, saying they went through the whole SP report and reviewed all the indicators. Now we know how the SP report measures the Social Performance and Social Performance Management of the institution.