How to conduct Client Protection Self - Assessment

What is CP self – assessment?

- It is an assessment conducted internally by the institution staff
- It identifies good practices and challenges in the CPprinciples' implementation

What is Client Protection

There are seven Client Protection Principles which describes minimum good practice to not harm the client:

1. Appropriate product design and delivery
2. Prevention of over-indebtedness
3. Trans
4. Responsible pricing
5. Fair and respectful treatment of clients
6. Privacy of clients data
7. Mechanisms for complaint resolution

CP Self Assessment Objectives

MICROFINANCE CENTRE

- Become familiar with CP

- Identify Institutions strength and gaps in implementation of Client Protection standards

4 Basic steps

1. Preparation
2. Gather documentation
3. Identify and analyze strengths and weaknesses
4. Prioritize problems and develop a plan

Step 1: Preparation

1. Get familiar with the CPP principles and assessment tool

– The assessment tool with short video showing how to use it is available here

– The pp presentations explaining CPP are available here

– The Operations Manual explaining how each CPP fits into MFI operations is available here

Step 1: Preparation

2. Orient the staff and form a team

– Assign a person (preferable senior manager such as Internal Auditor, SPM champion, Product development Manager) responsible for the process - Champion

– Identify key persons who can provide information and assess: Director, HR manager, Operations, Risk Manager,
Marketing, Credit Manager, 1-2 branch managers,

– Explain the purpose of assessment and provide basic information about CP to the team

Step 2: Gather documentation

1. Identify available policies and internal guidelines

2. Conduct desk review of key documents such as:

» HR manual
» Code of Conduct
» Credit Manual
» Collection Policy
» Anty-Discrimination Policy
» Privacy Policy
» MIS/IT policy
» Loan Application

Step 3: Identify and analyze strengths and weaknesses

Option 1:

- The champion conduct interviews with key managers
- The champion conducts initial scoring
- The champion present initial finding to the senior team

Step 3: Identify and analyze strengths and weaknesses

Option 2:

- Each team member assess the institution practice against CP standards individually
- Champion summarize the findings
- Champion presents the results

Step 3: Identify and analyze strengths and weaknesses

Option 3:

- Organize team meetings where the whole team discuss and jointly assess institution practice against the CP standards

- The Champion plays the role of the facilitator

Step 4: Prioritize problems and develop a plan

- What are the areas where you see opportunities for increased compliance (where you scored partial compliance)?

- Which improvements would you like to implement within next 6 months, 12 months?

- What changes requires little resources and can be done quickly?

- What changes requires significant resources and time?

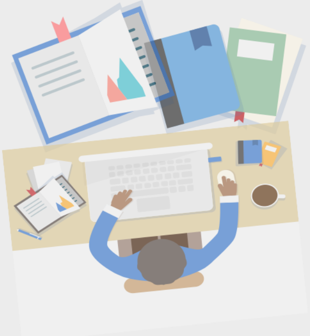
Step 4: Prioritize problems and develop a plan

What will I need to do to make changes happen?

1. Get institutional buy-in
2. Securing required resources
3. Setting an implementation team
4. Developing a detailed plan
5. Monitoring the implementation
6. Providing support

What next?

- Share self assessment with MFC
- Share your implementation plan with MFC
- Start implementing your plan



Where to get information and support?

If you have any questions please do not hesitate to contact MFC staff:

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