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Social Performance Management (SPM) training for Francophone African networks

An SPM training of trainers (TOT) will be organized for Francophone African networks by the Social Performance (SP) Start-up Fund in Autumn 2012. The training will build the capacity of network staff by providing information on SPM concepts, tools, and SP-related developments. The event will also include firsthand experience from other networks, and will allow participants to share and discuss their plans on promoting SPM in their respective countries.

For whom:

The training is designed for networks representatives from Francophone Africa, which plan to promote SPM and work with their members on strengthening it. The participants should have training skills and experience, and be committed to SPM work with members.

After this training, networks will be equipped to:

- Organize events to familiarize their members and stakeholders with SPM, client protection, the Universal Standards for SPM, and other related concepts and initiatives
- Train members in reporting on their social performance to the MIX and support members in filling in the reports
- Identify gaps in alignment with the Universal Standards for SPM
- Provide technical support to members in developing social objectives based on their missions, and set targets for mission achievement.

When will this training happen?

The 5-day training is planned for the second half of November 2012.

For more information please contact the [SP Start-up Fund](#).

MFC Quality Audit Tool (QAT) – verifying compliance with the Universal Standards for SPM

The social audit tool is designed to help MFIs ensure they are on track towards achieving their social goals. The QAT helps identify strengths and gaps in MFI practice, and prioritize actions for SPM improvement. **The QAT is aligned with the newly-launched Universal Standards for Social Performance Management (USSPM), as well as the 7 principles of client protection.**

The QAT has recently been updated, including:

- a more comprehensive and simplified structure allows even inexperienced facilitators to use the tool
- indicators to diagnose equal opportunities for gender have been strengthened a functional visual graphical summary of results has been added
- a QAT for smaller or emerging MFIs has also been developed.

To date, **more than 40 MFIs** have used the QAT in the Europe and Central Asia, Africa, the Middle East and North Africa and Latin America regions. Here's what they are saying:

"We used the QAT in 2009 and still come back to the results in order to implement the recommendations. These are our guidelines for improving SPM." **Credo, Georgia**

"It confirmed my suspicions about our weak areas — and helped us form an action plan, which was approved by the Board." **MDF, Serbia**

"Having gone through the QAT, we are clear what SPM means for us in practice. The QAT helped us identified gaps in our systems. It was the starting point for SPM improvement." **Horizonti, Macedonia**

"After our first experience with the QAT, AgrolInvest has repeated the exercise annually, by using an internal QAT facilitator. Every year, new changes based on the QAT results are introduced to improve practice. After these changes, the organization feels that it is ready to apply for a social rating." **AgrolInvest, Montenegro**

For more information, contact [Kinga Dabrowska](#) or visit [our website](#) to read **case studies of MFIs using the QAT** and a detailed description of the process.

A number of networks have been using the QAT with their members:

AMFA (Azerbaijan)

AMFOT (Tajikistan)

Sanabel (MENA region)

MCPI (the Philippines)

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Using the Universal Standards to improve SPM practice among TAMFI members

The Tanzanian Association of Microfinance Institutions (TAMFI) is using the Universal Standards for Social Performance Management (USSPM) to build members' understanding of SPM.

Not only do the Standards communicate what SPM consists of, but also provide useful examples of practice from the field. By framing their SPM introductory workshops, and social performance reporting training for members with the Universal Standards, TAMFI is also able to help MFIs identify their strengths and gaps in SPM.

Among common strength identified by TAMFI members were:

- Have mission statements and social goals
- The majority of MFIs have data tracking software in place
- Publish annual reports which can communicate social performance information

Among common gaps were:

- Some MFIs mission statements are not very clear — especially in terms of defining WHO the target clients are.
- Social objectives are not SMART
- Lack of key policies e.g. HR, collection of client debt
- Some MFIs do not have a system to address clients' complaints.

Based on gaps identified, TAMFI has been working one-on-one with MFIs to improve their gaps. On average, TAMFI spent between 0.5-1.5 days per MFI. The most effective approach was individual visits to MFIs to meet with staff and leadership, although it was a time consuming strategy.

To date, five MFIs have reviewed their mission statements and redefined their target groups, involving both management and staff in the process. Two MFIs hired consultants to help develop HR policies to better reflect the

MFIs' desire to treat staff responsibly. Three MFIs have developed collection manuals to ensure fair and respectful treatment of clients, and avoid aggressive or abusive treatment by their staff and agents — particularly during loan sales and debt collection processes.

Importantly, using the USSPM to frame their member engagement (thus understanding members' SPM practices and gaps), has helped the Network respond appropriately through building its own internal support capacity.

*“Through the USSPM workshops, TAMFI now has a **reason** to develop a long-term program to build the capacity of our members to address social performance management weaknesses.” (TAMFI staff)*

Introducing our grantee: the Palestinian Network for Small and Micro Enterprises (Sharakeh)



The Palestinian Network for Small and Micro Enterprises (Sharakeh) brings together microfinance non-profit institutions and programs providing financial services to small enterprises, and focuses on the growth of microfinance industry in the West Bank and Gaza Strip. Established in 2002, the network's 11 members represent approximately 85% of the whole Palestinian microfinance sector in terms of gross outstanding portfolio.

The Palestinian network's goals are to:

- Support and strengthen the capacity of small- and micro-credit providers to deliver efficient and effective services.
- Improve the regulatory framework of micro- and small-credit services to support of competitiveness and market development.
- Promote microcredit best practice among service providers in financial sustainability and transparency.
- Improve cooperation and coordination between service providers through information exchange, market development support and increased public awareness.

Why SPM?

The Palestinian microfinance industry is growing rapidly, with new members entering the market. At the same time, MFIs are feeling pressure from their international partners towards commercialization. However, the unique political situation in Palestine and the difficult economic situation requires MFIs to be cautious in their growth and not lose sight of the ultimate goal: to serve their clients. Being aware of the challenge their members face (increasing pressure to meet financial performance standards), Sharakeh believes their members should have strong social performance management, to ensure that MFI practices are in line with the broader goals of the microfinance industry.

Project activities in brief:

To start, Sharakeh organized workshops to raise awareness and build understanding among MFIs about SPM, and to help them understand their SPM strengths and gaps. Next, they helped partner MFIs prepare their MIX social performance reports through training and one-on-one engagement.

Based on SP reports provided by MFIs, Sharakeh decided to publish a country report on the state of SPM, as well as some recommendations for future. The report will be available in mid August 2012.

One of the key challenges that Sharakeh faced during project implementation was maintaining commitment on the part of MFI management. To address this, Sharakeh, focused on constant communication through additional meetings, and phone calls with MFI leadership. The final workshop, planned for autumn, will develop a plan for future, as well as discussing successes and future challenges for partner MFIs.