

Session 12: How to report the MIX?

Summary of the session

Session Objectives	<p><u>The purpose of this session is to show participants the technicalities related to submitting reports to the MIX, as well as how reporting to MIX fits the timeline of the SP Fund project. The acknowledgement they can receive as they submit their reports will be presented as well.</u></p> <p><u>The second big theme of the session is how to use analysed and generated SP data for the benefit of the MFI – what MFIs can learn from reading the country or regional level report.</u></p> <p><u>By the end of the session, participants will have:</u></p> <ul style="list-style-type: none">• Learnt the technical issues related to reporting on SP to MIX• Understood how an MFI can use SPS Report data for its own benefit
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Session Structure	<ol style="list-style-type: none">1. Introduction2. MIX data forms: Practical guidelines (15 min)3. Case study (35 min)4. Closure (5 min)
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Time/ Duration	60 mins
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Slides number	1-3
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Materials	<ul style="list-style-type: none">• HO MIX SP&FP Data Form• HO MIX Profile Update Form• HO 12.1 Extract of region level report• HO 12.2 Key information about the People’s Bank
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Session delivery

Introduction (2)	<p><i>Say: In the previous session, we discussed in depth the format of SPS Report. We discussed the interpretation of indicators, how to populate the report with data. We also brainstormed on where to find the required information.</i></p> <p><i>In this session, we will focus on two issues (Show slide with session objectives)</i></p>
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1. MIX data forms: Practical guidelines (15 min)	<p>(5 min)</p> <p><u>Say:</u></p> <p>There are 2 ways to report SP data:</p> <ul style="list-style-type: none">• a MIX SP&FP Data Form (show) to report “result indicators”. These indicators are time bound, quantitative indicators that focus on MFI outputs and outcomes.• an online profile editor or MIX Profile Update Form (show) to report “process indicators”. <p>These indicators are not time bound, which means they may or may not change every year. They are qualitative indicators on policies and processes within an</p>
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MFI.

If the MFI tracks poverty data, MIX sends a separate form which should be used to report poverty outreach information. The forms should be sent to Micol Pistelli at mpistelli@themix.org.

MIX normally starts data collection around March and finishes the process around September. During this period MFIs have to report using the SP/FP data form which is linked to the fiscal year. For the online profile editor, MFIs who are new to reporting have to send information by 30 September. For those who have previously reported, they can update their information at any time throughout the year.

Next, **show MIX Profile Update Form** and explain spreadsheet by spreadsheet how the form should be populated, with what information. Show the social performance sheet and explain that it contains the process indicators of Social Performance.

The result indicators are covered in the Mix SP&FP form (show). The indicators which are purely financial are marked in blue. The Social Performance related indicators are marked in yellow.

(3 min) Social Performance Reporting Awards

Say:

To recognize those MFIs committed to transparent social performance monitoring and management, MIX, along with CGAP, the Michael & Susan Dell Foundation, and the Ford Foundation, initiated an award program in 2009 aimed at promoting social performance reporting. In 2010, MIX distributed 29 Gold Awards and 82 Silver Awards to MFIs for their level of disclosure, comprising roughly 31% of all MFIs reporting social performance information to MIX.

The requirements to receive the various levels of the Social Performance Reporting Awards are as follows:

Silver Award:

- Complete the social performance questionnaire found in the MIX Online Profile Editor
- Submit proper documentation to MIX proving the existence of reported social performance policies
- Report poverty measurement data to MIX

Gold Award:

In addition to completing the requirements of the Silver Award, MFIs must:

- Have a social rating from 2008 or later
- Show social change related to their mission
- Show high levels of client retention based on their respective market

Platinum Award:

In addition to completing the requirements of the Silver and Gold Awards, MFIs must:

- Fill out an additional survey assessing new indicators

	<p><u>Sum up:</u> An MFI reporting good quality data to MIX, and displaying good practices in SPM can be acknowledged globally by the microfinance industry.</p> <p>SPS Reporting Cycle</p> <p>Show slide SPS Reporting Cycle (<u>Note:</u> update the time and cycle based on your project).</p> <p><u>Say:</u></p> <p><i>Let's look at how the reporting to MIX fits into the project timeline. Now we are in the training section on how to report. The previous year has been closed, and we should already have data from the end of December. This data will be reported to MIX.</i></p> <p><i>After this training you will be asked to fill in the report and submit it to the network. Network staff will help you with filling in the report, as well as with data verification. Network staff will analyze data and identify some gaps to be improved in terms of both reporting process and performance.</i></p> <p><i>The results will be presented and discussed at the Reporting Lessons Learnt workshop. Next, there will be time for improving the reports. By the end of September the reports will be submitted to MIX. By end of the year (hopefully) MIX will produce a regional report. A network will have the opportunity to produce a country level report.</i></p>
<p>2. Case study</p> <p>(35 min)</p>	<p>(5 min) Show slide with reporting cycle and <u>say:</u></p> <p><i>Imagine, we went through this reporting cycle. Now we are at a point when we have reported to MIX, some of us have even received the award. Based on reported data, MIX produced a region level report.</i></p> <p><i>MIX produced the social and financial performance report. What you are receiving now, is the chapter on social performance – the 5 page extract of the report. Distribute Handout: extract of region level report (Handout)</i></p> <p><i>Now we will take a look at this report. However, before we start reading, let us imagine we are an MFI called People's Bank. While reading the report, we will analyze information from the perspective of People's Bank. Distribute Handout: Key information about the People's Bank.</i></p> <p><u>Say:</u> You are an MFI called People's Bank. These are your own performance results. Now, read the report and compare your results. What can you learn about your performance?</p> <p>Make people work in groups of four. Let them read the information about People's Bank and then the report.</p> <p>When they are ready, ask them: <i>What can we learn about People's Bank from the case study?</i> Accept a few answers describing the case from participants, and clarify any issues, which raise any concerns.</p> <p>Next, ask them to answer the following questions (15 mins):</p> <ul style="list-style-type: none"> • What are the strengths of People's Bank as compared to the regional data?

	<ul style="list-style-type: none"> • What are the weaknesses? What should be improved? <p>(15 mins) In plenary, discuss the case with participants.</p> <p>First, let participants describe the case. If they are unwilling to start, you may use the following questions to set the stage:</p> <ul style="list-style-type: none"> • Compared to the practice of MFIs in the region, how well does People’s Bank report on the achievement of its social goals? Most of the MFIs cannot report on their achievement of social goals. People’s Bank is able to report on achievement of all social goals, which is a good practice. • In terms of poverty reduction, how well does the MFI meet the goal? What if compared to peers from the region? The percentage of clients below the national poverty line is relatively low – only 10%. Compared to other MFIs in the region reporting on poverty, People’s Bank belongs to the group of MFIs with the highest share of poor clients. • How good is People’s Bank in terms of outreach to female clients? With 68% of female clients, the performance is outstanding compared to peers (only 42% on average) • What can you say about the governance and HR of People’s Bank? How well does it support SPM? The board discusses social performance once a year, but there is no regular monitoring of SP by at least a few members. New staff are trained. No information about ‘old’ staff. • Which of the client protection principles are met by People’s Bank? <ul style="list-style-type: none"> - Preventing over-indebtedness - Transparency - Staff ethical behaviour - Acceptable and unacceptable debt collection practices are clearly spelled out in a code of ethics, book of staff rules or debt collection manual. <p>Finally, make them answer the key questions of the exercise.</p>
<p>Closure – 5 mins</p>	<p>At the end, ask them how they can use the results of the country or region report for their own benefit? What do they expect to learn?</p> <p>Possible answers:</p> <ul style="list-style-type: none"> - Acknowledgement of own strengths - Information of where you are in terms of your performance - Identification of gaps and areas for improvement <p><u>Sum-up:</u> SPS Reporting is not just reporting for the purpose of external stakeholders. Each MFI can use it as a source of information about their own performance, and use it for further improvement. Link to the next session</p>

Handout 12.2 People's Bank performance results

Instruction: Read the ECA Region Social Performance Report (extract from the Social and Financial Report prepared by MIX). Answer the following questions:

- What are the strengths of People's Bank as compared to the regional data?
- What are the weaknesses? What should be improved?

Information about People's Bank:

Target clients: women; poor clients

Development objectives: poverty reduction, growth of existing businesses

Performance results

% female clients	68%
% poor clients (measured by PAT: below national poverty line)	10%
% low income clients	60%
% poor clients with growth in business assets	20%
% low income clients with growth in business assets	30%
Client dropout rate	45%

Process related results:

- New staff are trained on the mission and social goals of People's Bank
- Board members discuss Social Performance once a year (there is no separate committee)
- HR policy includes: medical insurance, education subsidies, equal pay for men and women with equivalent skills, anti-harassment policies
- People's Bank implements the following practices related to Client Protection:
 - o The loan approval process requires an evaluation of the borrower repayment capacity and loan affordability. Loan approval does not rely solely on guarantees (whether peer guarantees, co-signers or collateral) as a substitute for good capacity analysis.
 - o Productivity targets and incentive systems value portfolio quality at least as highly as other factors, such as disbursement or customer growth. Growth is rewarded only if portfolio quality is high.
 - o Staff are trained to communicate effectively with all customers, ensuring that they understand the product, the terms of the contract, their rights and obligations. Communications techniques address literacy limitations (e.g., reading contracts out loud, materials in local languages).
 - o The organization's corporate culture values and rewards high standards of ethical behaviour and customer service.