Conceptual Note on Social Performance

Introduction

This Conceptual Note discusses important concepts related to measuring and managing the social performance of microfinance institutions (MFIs). In general, performance measurement is integral to the successful operation of any organization. It is axiomatic that one cannot manage what one does not measure. The importance of performance measurement is aptly stated in the Baldrige Criteria:

“Modern businesses depend upon measurement and analysis of performance. . . . A major consideration in performance improvement involves the creation and use of performance measures or indicators. Performance measures or indicators are measurable characteristics of products, services, processes, and operations the company uses to track and improve performance. . . . A comprehensive set of measures or indicators tied to customer and/or company performance requirements represents a clear basis for aligning all activities with company goals.”

The ability to manage an organization toward specific ends, whether financial or social, requires some system of measurement to determine progress toward the desired ends.

But performance measurement is only part of the picture. Successful operation also requires the organization to manage progress toward desired ends. This requires internal management systems capable of mobilizing financial, physical, and human resources; motivating and directing activity; acquiring, processing, and using information (including performance information); and steering the organization toward pre-determined objectives.

These principles apply generally to all organizations regardless of sector and regardless of organizational purpose. They are true whether an organization seeks a financial return, a social return, or a combination of the two. Their implications for microfinance are clear: achieving the social outcomes inherent in the missions of micro-

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finance institutions (MFIs) requires more deliberate strategies and more systematic ways of measuring and managing social performance.

In microfinance, the process of measuring and managing organizational progress toward social objectives is known collectively as social performance management (SPM). The issue of SPM is growing in importance and prominence in the microfinance industry. For example, a coalition of MFIs, donors, investors, rating agencies, microfinance networks, and consulting firms circulated and signed a Declaration of Principles committing themselves or their organizations to promoting social performance in microfinance.3 (See Annex 1 for a copy of the Declaration of Principles.)

Although relatively recent to the microfinance agenda, SPM has a long history outside of microfinance. Ironically, perhaps much of the activity and progress in SPM is taking place in the private sector with initiatives such as the Global Reporting Initiative, AccountAbility 1000, and the Balanced Scorecard.

Defining Social Performance

Social performance can be defined in several ways.4 The microfinance industry has yet to settle on a common definition of social performance, and debate about its precise definition remains ongoing among microfinance stakeholders. Nonetheless, two common themes can be identified from this debate.

First, social performance entails a relationship between the organization and other members of society. This relationship goes beyond the organization and its owners to include other stakeholder groups. Key stakeholder groups include clients, donors, investors, staff, and communities in which MFIs operate. The relationship between the organization, owners, and stakeholders goes beyond the organization's financial performance to include specific social outcomes.

Secondly, social performance relates social outcomes back to the organization's social mission and objectives. Stakeholders' perceptions and interests should be explicitly considered when setting an organization's social mission and objectives.

With these two themes in mind, a Task Force of diverse microfinance stakeholders, facilitated by the Consultative Group to Assist the Poor (CGAP), has agreed on the following definition of social performance.

Social performance refers to an effective translation of an institution's mission into practice (actions, corrective measures, outcomes). Social performance is not just about measuring the outcomes but also about the actions and corrective measures that are taken to bring about those outcomes. The social value of microfinance relates to improving the lives of poor and excluded clients and their families and widening the range of opportunities for communities. To create this value the social objectives of an MFI may include:

- Serving an increasing number of poor and excluded people in a sustainable manner - expanding and deepening outreach to poorer people
- Improving the quality and appropriateness of financial services available to the target clients through the systematic assessment of their specific needs
- Creating benefits for the clients of microfinance, their families and communities relating to social capital and social links, assets, reduction in vulnerability, income, access to services, and fulfillment of basic needs.
- Improving the social responsibility of the MFI towards its employees, its clients and the community it serves.

Social Performance Management vs. Social Performance Assessment

This Conceptual Note makes a distinction between measuring and managing social performance.

Social Performance Management


2 See the forthcoming Social Performance Glossary to be produced by The SEEP Network Social Performance Working Group for alternative definitions of social performance and other terms related to social performance management.
(SPM), is a broad concept that refers to the process of measuring, analyzing, reporting, and using social performance information. Measuring social performance is a narrower concept that refers specifically to measurement.

While a common term for the process of measuring social performance is Social Performance Measurement, adopting this term leads to confusion because it utilizes the same acronym as Social Performance Management. To avoid confusion, and to keep the terms and concepts distinct, this Conceptual Note adopts the terminology Social Performance Assessment (SPA) to refer to the process of measuring social performance.

SPM recognizes that to be useful, social performance information must be integrated into the MFI’s work and operational routines and into its value system. It must, in other words, be institutionalized. Different microfinance stakeholders will have different criteria for SPM. Donors and socially responsible investors, for example, are more likely to emphasize precision and proving impact, while practitioners are more likely to emphasize practicality and improving impact via improved program operation and management.

Notwithstanding, experience demonstrates there are direct tradeoffs between precision and practicality and between proving and improving impact. Donors and investors need to be educated about these tradeoffs so they do not settle for less than is possible. Arriving at mutually acceptable approaches to SPM will require communication and collaboration between MFIs and other stakeholders.

Asking a set of straightforward questions can help MFIs, donors, investors, and other stakeholders to address these conceptual and practical issues. For example, according to the Imp-Act Consortium framework, which will be discussed in more detail later, institutionalizing SPM requires MFIs to have clear and consistent answers to the following six questions:

1. What are your social performance objectives and how do you plan to achieve them?
2. Who uses your program’s products and services? Who does your program exclude?
3. Why and when do clients leave the program or fail to fully utilize the available services?
4. What is the effect of your program on current clients?
5. How will you use information about social performance to improve your services?
6. How do you maintain and improve the quality of the systems you use to answer these questions?

SPA goes beyond answering broader management questions to include the following more detailed measurement-related questions.

1. What are the relevant dimensions of social performance and which ones are to be measured?
2. What method(s) will be used to measure social performance?
3. How comprehensive and inclusive is SPA?
   a. Does it refer exclusively to one small aspect of the organization’s activities, or does it try to capture the totality of the organization’s social performance?
   b. Does it refer to one stakeholder group or to several?
4. What are the options for SPA by the MFI itself or by an external agency and what are the potential synergies between the two?
5. Who are the primary audiences for the social performance information?
   a. Is the information intended for internal audiences, external audiences, or both?
   b. What information is published and distributed to which stakeholder groups?
6. How will social performance information be stored, analyzed, reported, and used?
7. How will SPA be integrated into the organization’s day-to-day business operations, including those pertaining to human resource management and development, information management, inter-departmental communications, financial management, external relations, planning, reporting, and decision-making?
8. What is the level of support for SPA in the organization? Is management committed to the process? Has staff bought-in to the process?
   a. If the answer to either of these questions is no, what can be done

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to increase management commitment or staff buy-in?

Of course, the challenge is to not address either set of questions in isolation but in concert with each other. Failing to address the more mundane technical questions related to assessment can seriously impair the functioning and effectiveness of a management system. At the same time, failing to address the broader, more strategic, questions related to management can render assessment irrelevant.6

Importance and Benefits of Social Performance Management

Social performance management (SPM) is important for two general reasons; the first having to do with a principle-based commitment to transparency and mission fulfillment, and the second regarding practical benefits to industry stakeholders. Within these two broad rationales, below are eight specific rationales for managing social performance.

1. MFI’s have an ethical responsibility to account for their social performance in a reasonably transparent manner. MFIs claim social impact. They solicit funding and investment based on claims of social impact. This entails in turn a responsibility to account for their social performance in a manner that is reasonably transparent to donors, investors, and other stakeholder groups.7

2. SPM is integral to maintaining the social mission of microfinance. Performance measures profoundly shape values and behaviors within organizations. To the extent financial considerations dominate social considerations in assessing and managing MFI performance, the danger exists that social performance will progressively diminish in importance. SPM is necessary to ensure that MFIs remain tethered to their historical social roots.

3. SPM benefits MFI clients. The process of managing social performance potentially yields numerous benefits for clients, including services more appropriate to their needs, more product choices, better customer service, and a greater voice in program operations and policies.

4. SPM helps MFIs create a more client-centered organization with products and services that are more demand-driven. A SPM system will help the MFI, among other things, to accomplish the following:

• segment its portfolio so as to identify market niches, opportunities and problems,
• monitor how clients use services so as to determine how well they meet clients’ needs in line with their capacities,
• innovate to improve client satisfaction and loyalty through appropriate products and better customer service,
• verify the results of programmatic changes to determine if they have made a difference; and
• track intended and unintended impacts on client households and the wider community and understand the role the MFI plays in promoting these changes.

5. SPM can facilitate better financial performance. Managing and improving social performance will potentially allow the MFI to increase program growth by making the MFI more attractive to potential clients and by increasing client retention through the monitoring of, and responsiveness to, clients’ experiences in the program.

6. SPM allows MFI managers to measure and manage the trade-offs between financial and social performance. MFIs are double bottom-line organizations seeking a combination of financial and social returns. At times, financial and social objectives may conflict requiring some way to manage the trade-offs that arise in such cases. A SPM system will generate the information necessary for an organization to manage these trade-offs in a more strategic and effective manner. It will also help management identify problems in program effectiveness at an early stage, before they become damaging to the organization.

7. SPM contributes to social performance benchmarking. Information on social performance, which is generated as part of a SPM system, is necessary to allow MFIs, donors, socially responsible

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6 A common outcome is for an MFI to collect social performance information only to have the information sit unused because it has not thought through management issues related to integration and use.

7 The qualifier “reasonably” is added here to acknowledge the inherent difficulties in assessing social performance.
helps them to move out of poverty faster; enabling MFIs
their clients' needs by assessing which programs are most
measurement tool that allows MFIs to better respond to

Grameen Foundation has developed the Progress out of
version up and running a year from now.

FINCA International is presently developing and testing
a measurement and management tool, which FINCA has been testing, using
Client Relationship Officers (CROs) since March 2005 in
Uganda and Ecuador. Although some important social
performance data will be captured on the loan application
form, CRUs based in each branch office will focus on
gathering more comprehensive data from a sample of
clients through poverty assessment, impact monitoring,
client satisfaction and client exit interviews.

FINCA International will also use the data warehouse to
analyze and report social performance findings to external
stakeholders. FINCA is in the process of designing and
developing the data warehouse and hopes to have a beta
version up and running a year from now.

Box 1. Two Examples of SEEP Member Organizations performing SPM

FINCA Client Relationship Management System

FINCA Client Relationship Management System (CRMS), developed by FINCA International
is designed to enable MFIs to better respond to
their clients' needs by assessing which programs are most
effective, how quickly clients leave poverty, and what
helps them to move out of poverty faster; enabling MFIs
to track and understand the likely poverty levels of their

The PPI is an accurate, easy to use tool that is a
composite of country-specific, non-financial indicators
such as family size and housing type. It is objectively
linked to national income and expenditure surveys,
designed to strike a balance between accuracy with
practicality. The Progress Out of Poverty Index measures
absolute poverty measures that can be benchmarked
against the international poverty line (‘$/day’ at purchasing
power).

The benchmarking is based on statistical analysis
of national level household survey results (such as
Mexico’s INEGI database, India’s National Sample Survey
and Pakistan’s Integrated Household Survey (PIHS)),
or the country specific World Bank’s Living Standards
Measurement Survey (LSMS). These sources offer the
most robust ‘proxy’ indicators for poverty status for the
communities in which the MFIs operate.

Pilot projects are currently underway in Asia
and Latin America, and PPIs will be available in 2007 for
India, Pakistan, Bangladesh, the Philippines, Mexico,
Haiti, Bolivia, Morocco, and Egypt. A number of Grameen
Foundation partners have integrated the PPI into
operations and in November 2006 the Grameen Foundation
expects to release case studies of how two MFIs
(Alternativa Solidaria) and (Negros Women for Tomorrow
Foundation) have used the PPI to date.

These practical, field tested outcomes will help
interested practitioners understand the range of ways the
PPI can be used and how MFIs can track progress against
their social and financial performance goals using data
that is collected on a continuous basis. All PPIs are built
on the same design methodology but each one is country
specific and is intended for the public good. Once a PPI is
built for a country, it is made available for free and any MFI
can integrate it into its operations.

Grameen Foundation believes that MFI
management information needs and the reporting needs
of external stakeholders are mutually reinforcing. The
Progress out of Poverty Index balances these needs.
While MFIs will use the outputs to inform product and
service design questions, they also can report this
information to interested donors, investors and regulators.
As a result, social investors will be able to better target
their investments based on the type of clients that MFIs
serve and government policy analysts will finally have
evidence to support social policy.

Grameen Foundation's Progress out of Poverty Index

Grameen Foundation has developed the Progress out of
Poverty Index (PPI) with Mark Schreiner of Microfinance
Risk Management. The PPI is both a management and a
measurement tool that allows MFIs to better respond to
their clients’ needs by assessing which programs are most
effective, how quickly clients leave poverty, and what
helps them to move out of poverty faster; enabling MFIs
to track and understand the likely poverty levels of their

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14 Grameen Foundation, Grameen Foundation Progress out of Poverty Index, An Innovative Tool for Microfinance Institutions, Grameen Foundation.
16 To learn more about the Progress out of Poverty Index and Grameen Foundation’s Social Performance Management initiatives, contact Nigel Biggar, Manager of Social Performance, at the Grameen Foundation.
8. SPM allows socially-orientated MFIIs to demonstrate their “blended returns” to donors and investors. In the absence of widely accepted social performance measures, donors and socially responsible investors typically base funding decisions on financial performance alone. The result is that funds tend to flow to a disproportionately small percentage of high-profile MFIIs. Managing social performance allows MFIIs to demonstrate social performance, arguably leading donors and investors to reallocate a portion of funding toward socially-oriented MFIIs offering higher or competitive blended returns.8

Social Performance Management Approach

Imp-Act Consortium

The Imp-Act Consortium9 in collaboration with global MFI partners developed a conceptual framework and approach to the management of social performance. The Imp-Act approach starts with the use of information generated through institutionalized internal information systems, which can be supplemented with external studies. Social Performance Management (SPM) is therefore the basis of information generation and must be designed around the needs of the MFI and its stakeholders.

Imp-Act’s experience is that while social benefits do result from most microfinance interventions, it is only by designing with intent that these benefits can be maximized. The Imp-Act Consortium’s vision is for a microfinance industry where the design and management of services to achieve specific social objectives is viewed as a core part of the business of microfinance. Their mission is to realize the potential of microfinance by encouraging and enabling MFIIs to more effectively translate their social mission into practice, and enabling donors and policy makers to more effectively understand and assess social performance of their work and that of others.10

The Consortium’s priority is to build a solid foundation for SPM systems to be mainstreamed, and Imp-Act’s work is primarily aimed at MFIIs, as well as the networks and international organizations that support them. However, Imp-Act also emphasizes the critical link between internal and external information use, thus its message is also relevant to donors, investors, and policymakers.11

- **Building capacity for training and support:**

The Consortium is developing guidance to ensure consistency and quality in the training of trainers process, and is installing capacity to train and support MFIIs in all regions. The SPM training modules have been finalised and translated into Spanish. Forthcoming SPM trainings include Mexico (October 2006, early 2007), India (early 2007), and West Africa (early 2007).

- **Learning and documentation**

The Consortium is in the planning stages for an action-research project that seeks to explore the cost-effectiveness of SPM and trade-offs with financial performance. The SPM Network, still in its early stage, seeks to achieve a critical mass of organizations managing and reporting on their social performance.

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8 Blended returns refer to an organization’s financial and social returns combined in some way to arrive at a more holistic picture of the organization’s total returns. Blended returns may also include an organization’s environmental returns, which refer to the organization’s impact on the natural environment.

9 The Imp-Act Consortium has six partners: CARD Mutually Reinforcing Institutions (CARD), EDA Rural Systems (EDA), Freedom from Hunger (FFH), the Institute for Development, Evaluation, Assistance and Solutions (IDEAS), the Microfinance Centre for Central & Eastern Europe and the New Independent States (MFC), and the Microfinance Council of the Philippines (MCPI). Imp-Act was an action-research program (2001-2004) funded by the Ford Foundation designed to improve the quality of microfinance services and their impact on poverty. Working with more than 30 partners around the world, Imp-Act aimed to support MFIIs in developing their own social performance management systems. The Consortium is hosted by the Institute of Development Studies (IDS) in Sussex, England (http://www.ids.ac.uk/impact).


11 Ibid.

12 For more information on the Imp-Act Consortium and Social Performance Management go to www.imp-act.org
Imp-Act has produced a set of SPM Guidelines, which offer an overview to SPM, including an introduction, a roadmap for developing an SPM system, and a resource guide to SPM. They are supplemented by a set of eight Practice Notes, which offer more in-depth information on the issues discussed in the Guidelines.\footnote{For Imp-Act’s SPM Guidelines, see http://www.ids.ac.uk/impact/publications/guidelines.html}

Social Performance Assessment Approach Typology

Social performance can be assessed at two broad levels of performance using two generic approaches. The two broad levels of performance are: social metrics and internal processes. The two generic approaches are: indicator-based approach and audit-based approach.

Social Metrics

Social metrics refer to social measures related to program operations and serve as distinct links in a social impact causal chain. There are four principal social metrics (links) in the social impact causal chain: inputs, outputs, outcomes, and impacts. Figure 1 shows where each fits on the social impact causal chain. The causal chain begins with inputs, which are transformed through internal processes into outputs. Outputs in turn produce outcomes. Finally, outcomes produce impacts. The further one moves to the left on the causal chain, the weaker the causal relationship with program impacts.

Inputs consist of the resources used to run the program, including money, people, time, physical facilities, and equipment. Outputs are the direct and measurable products of program activity, including, for example, the number of loans made, lessons given, persons trained, or clients served.

Outcomes are observed changes in the well-being of clients at the individual, household, enterprise, and community levels. Common measures of social outcomes include household income and expenditures; asset ownership; housing conditions; access to basic services; food security; school attendance; female participation in decision-making, leadership roles, social organizations and the political process; and enterprise growth, profits and employment.

Impacts are outcomes attributable to (or caused by) the MFI above and beyond what would have happened without the MFI. Impacts represent the achievement of social goals, and ideally SPA would focus there. However, there are considerable resource and technical demands in demonstrating causality, for example, the need for statistically valid control groups. To the extent that microfinance stakeholders insist on demonstrating causality, this is best undertaken as a separate impact assessment exercise requiring dedicated resources, technical capacity and funding.

A second-best solution to measuring impacts is to focus the measurement of social performance on outcomes. Here the MFI observes the changes in selected social outcomes to get a general sense of how clients are faring (both overall and within certain important groups, for example, the poor, women, rural borrowers, new vs. mature clients, etc.) and from this information deduce implications for program effectiveness and the appropriateness of its products, policies, and practices. Social outcomes do not imply causality, but they are the closest thing to it in the causal chain. In all cases, however, a plausible and clear theoretical link needs to be established between the MFI activity and the observed social outcome.

Where information on outcomes and impacts is not available, inputs and outputs may be used as prox-
ies, although the link connecting them to outputs or impacts can be tenuous. When using inputs or outputs as proxies for outcomes or impacts, the organization should once again articulate a clear, theoretically plausible causal link between the former and the latter.

Internal Processes

Internal processes refer to operational processes within the MFI that transform inputs into outputs, outcomes, and impacts. Internal processes include, for example, social mission identification, communication, and reinforcement, organizational culture, client targeting, product innovation, management information systems, incentive systems, work routines, interdepartmental cooperation, staff training and supervision, monitoring and evaluation, customer service, and market research. In the absence of information on social impact or outcomes, the assumption is that either can reasonably be inferred from sound internal processes supporting social mission fulfillment.

Internal processes offer an important advantage over outcomes in that they lend themselves more easily to standardization given that they are common to all MFIs, whereas targeted outcomes can differ significantly from MFI to MFI. Internal processes are also typically easier to assess than outcomes.

Indicator-Based Approach

The indicator-based approach uses quantitative or categorical indicators to measure different dimensions of social performance. These might include input, output, and outcome indicators; process indicators; poverty or social performance scorecards; or institutional performance indicators (as proxies for social performance). While there is a room for MFIs to have their own specific set of indicators relevant to their context, some general categories of indicators might be standardized across MFIs, making it possible to establish a global reporting system on social performance of MFIs.

Audit-Based Approach

The audit-based approach uses social auditing to assess social performance. Social auditing is a means of assessing the social effects and ethical behaviour of an organization in relation to its aims and those of its stakeholders. The purpose of social auditing is to (1) validate the social accounts and indicators self-reported by the MFI and (2) assess internal processes and render judgment as to their soundness, defined as the extent to which they are likely to align behaviour and performance with social mission.

Social Performance Assessment Approaches

In practice, approaches to assessing social performance will involve a combination of performance levels and generic approaches. Table 1 places a sample of different social performance initiatives, both in and out of microfinance, within the typology described above. The microfinance initiatives are still in an evolutionary phase and may well evolve to be different than how they are being portrayed and this point in time. There is also some degree of overlap between the initiatives, which at this evolutionary phase is perhaps inevitable. Several initiatives aim at the collection of information that can be used by an MFI both for its own internal assessment and for external reporting.

To help better understand how the typology works in practice, each of the sample social performance (SP) initiatives mentioned in Table 1 is described briefly below.

Table 1. Typology of Social Performance Assessment Initiatives

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The sample initiatives are not meant to be an exhaustive list of ongoing social performance initiatives but rather a reasonably representative sample.
Social Performance Assessment – Five Microfinance Approaches

1. CGAP-Ford Foundation Social Indicators Project
The CGAP-Ford project aims to develop and monitor a small key set of social outcome indicators falling under five of the Millennium Development Goals (MDGs) that are relevant to microfinance: (1) eradicate extreme poverty and hunger, (2) achieve universal primary education, (3) promote gender equality and empower women, (4) reduce child mortality, and (5) improve maternal health.

The project involves 34 MFIs across different regions of the world selecting, testing and refining indicators that are linked to the MDGs, are relevant to their missions and their contexts, and practical enough so that necessary information may be collected. The aim is to identify a small number of key indicators that can be reported on across the microfinance industry, with MFIs applying specific indicators relevant in their country context.

Thus, the poverty score card or poverty index (described in Box 1 under the Grameen Foundation’s Progress out of Poverty Index) is being supported as part of this project. In countries where the poverty index of simple/local indicators can be constructed, this will provide a tool for MFIs to report on (a) % of clients below the poverty line when they join and (b) over time, track % of poor clients who move out of poverty.

Other key indicators are: school attendance of school-age children of clients and girls and boys at different education levels. Further indicators relating to gender equality and empowerment, or health, are likely to prove more difficult to define or collect, though some MFIs are exploring these dimensions under this project.

2. IRIS Poverty Assessment Tools
In 2000, the US Congress passed the Microenterprise for Self-Reliance Act, which mandated that half of all USAID microenterprise funds reach the very poor. This legislation was amended in 2003, and now defines the very poor as those living on less than $1 a day (adjusted for purchasing power parity-PPP), or those living in the bottom 50% below their country’s poverty line. The lack of widely applicable, low-cost tools for poverty assessment, however, makes it difficult for USAID to determine whether it is meeting these mandated targets.

Therefore, the law also requires USAID to develop and certify at least two tools for assessing the poverty level of its microenterprise beneficiaries. House Resolution 3818, passed in December 2004, provides a deadline of Fiscal Year 2007 for programs to begin implementing the tools. In other words, all microenterprise programs that receive USAID funding during FY2007 will be required to implement a USAID-approved poverty assessment tool during the year and include the results in their year-end reporting (MRR).

USAID is required to verify to Congress that at least 50% of resources invested in microenterprise development benefit the very poor, and contracted The IRIS Center at the University of Maryland to develop and test tools that can be used by practitioners to report on the proportion of very poor clients receiving services. IRIS recognizes that it is important that practitioners find the recommended tools to be effective means of evaluating the extreme poverty level of their clients. A main priority for IRIS is to recommend tools that can accurately predict extreme poverty in a practical and cost-effective manner.

Field testing of the tools took place between 2004 and 2006. In the first phase of testing, IRIS assembled a composite survey containing indicators from many sources and conducted accuracy tests in four countries (Peru, Bangladesh, Uganda, and Kazakhstan) across the four main USAID regions, testing the predictive capacity of a variety of poverty measurement indicators. In addition, World Bank LSMS datasets from an additional eight countries were obtained. Analysis of data from the fieldwork and LSMS datasets have shown which indicators are most effective in predicting poverty, and these indicators were used to form draft tools for further testing.

In the second phase of testing, IRIS conducted practicality tests of the selected draft tools. Fourteen organizations in fifteen different countries were awarded grants to conduct these practicality tests. Each organization was trained by IRIS in the use of the draft tools before implementing them, and the implementations took place.

http://www.povertytools.org
from October 2005 to March 2006. IRIS then eliminated the least practical indicators and used the remaining indicators to create simple tools for predicting the incidence of ‘very poor’ microenterprise beneficiaries.

While two international tools were developed by IRIS to meet the congressionally mandated deadline, IRIS compared the international tools to country-specific tools customized to maximize accuracy for each country, and found that these country-specific tools are significantly more accurate than a tool designed for global use. Thus, IRIS is creating 12 country-specific tools by the end of October 2006, and will continue to work with USAID to develop poverty assessment tools for additional countries. The 12 tools created by IRIS, and tools created by other organizations, are being submitted to USAID to be considered for certification.

IRIS will also provide three regional ‘trainings of trainers’ during 2007 on the use of the poverty assessment tools: one in Washington, DC (tentatively planned for late January 2007), and two others in Uganda and Bangladesh. Representatives from PVOs, MFI networks, and those organizations managing umbrella grants will be encouraged to attend the DC training, while the other two regional trainings will also be open to consultants who can then return to their countries to train local microenterprise organizations in the use of the tools. In addition to the regional trainings, the IRIS Center will also provide a Help Desk to assist organizations in the use of the poverty assessment tools.

3. Social Performance Indicators Initiative (SPII)\(^9\)

The objective of the SPII—a joint venture of CERISE, CGAP, and the Argidius Foundation—is to articulate a conceptual framework for defining social performance in microfinance and to develop a set of social performance indicators for MFIs with broad social relevance. The tool is a questionnaire and guide aimed at evaluating the intentions, actions, and corrective measures implemented by an MFI in order to determine whether it has the available means to attain its social objectives. The SPII posits four dimensions of social performance: (1) outreach to the poor and excluded, (2) adaptation of products and services to target clients, (3) improving social and political capital, and (4) corporate social responsibility. Indicators were selected with MFIs based on the criteria that they could be self-reported by managers or loan officers, they already resided or could be integrated in the MFI’s management information system, and they could be rapidly verified by an external audit.

SPII questionnaires can be filled out internally for better knowledge of the MFI and its goals and activities, and to provide an opportunity for internal thinking about its social objectives. They can be also discussed, if necessary, with an external figure (technical partner, consultant, donor, evaluator, rating agency, etc.) in order to handle the results and discuss the significance and implications of the results beyond the indicators. The CERISE tool may be integrated into a social rating approach.

The SPII process indicator scores are used to compare social performance across multiple institutions and contexts. The indicators are reported in the second part of the tool. The first part allows the MFI to explain its social strategy and its choices against the background of its priorities and socioeconomic environment in order to establish which of the four dimensions are most important for the MFI. The third part deals with linking financial performance to social performance.

The SPII indicators offer a broad vision of the definition of social performance (not just limited to targeting the poor). The tool was developed through a participative process with MFIs and other microfinance actors, which gives it legitimacy and recognition within the sector. The objective is to continue improving this type of tool, defining reporting format, understanding how social performance can be attained and improved for diverse types of MFIs.

4. USAID Social Performance Assessment Tool\(^20\)

USAID is developing a social performance assessment (SPA) tool funded under a grant by the Accelerated Microenterprise Advancement Project (AMAP). The USAID SPA tool combines a set of social performance indicators and a social audit to evaluate the

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\(^{19}\) http://www.povertytools.org

\(^{19}\) http://www.cerise-microfinance.org/publication/impact.htm

social performance of microfinance institutions. Indicators used in the tool consist of simple indicators that either exist in or can be calculated using the “typical” management information system. The social audit—which consists of interviews with board members, management, staff, and clients and a review of all relevant internal and external documents—involves an in-depth assessment of five key internal processes related to SPM: mission and management leadership, hiring and training, monitoring systems, incentive systems, and strategic planning. The tool does not attempt to measure social outcomes but rather to determine the extent to which key systems indicators are consistent with social mission and whether internal processes are designed and implemented in a way that aligns policies, behaviors, and outcomes with the MFIs stated social mission and whether they are likely to continue to do so in the future.

The USAID SPA tool is targeted to two primary markets: social investors and practitioners. To produce a tool useful for social investors, the tool development team is collaborating with microfinance rating agencies to integrate into a social rating. As part of a social rating, the USAID SPA tool evaluates the MFIs social performance using a standardized rating scale similar to an institutional rating scale based on the evaluation of the key performance indicators and the social audit. The social rating can be used by investors to compare MFI social performance across institutions and contexts. However, “one of the biggest challenges for social rating and reporting is whether it is possible to agree on certain generic values that apply to all MFIs, to enable direct comparison and ‘benchmarking’ across different contexts and models.”

The tool is also being developed as an internal assessment tool for MFIs and MFI networks to assess social performance, identify institutional strengths and weaknesses, and target management interventions. Because the social audit is conducted by external evaluators using standardized methods, the results will also be of use to external users, such as donors and social investors. The results of the tool application will be used to strengthen institutional design and implementation, so as to enable MFIs and MFI networks achieve higher levels of social performance. The USAID SPA tool has been pilot tested in Albania and Bolivia with further pilot tests being planned with both rating agencies and microfinance networks. The tool continues to undergo revision throughout the process of pilot testing.

5. ACCION SOCIAL Tool
The ACCION SOCIAL tool is being developed as a diagnostic tool to evaluate the success of the microfinance institution in fulfilling its social mission and contributing to broadly accepted social goals. The SOCIAL tool is currently used on ACCION affiliates to analyze their social performance - an internal assessment tool where information can then be used for external audiences. The SOCIAL tool may eventually be turned into a rating tool. It presently has the following objectives:

- Provide a comprehensive social assessment of the institution to complement financial assessment provided by the CAMEL.
- Improve organizational performance, by highlighting strengths and weaknesses in the dimensions of social performance.
- Provide information on how the MFI is perceived by clients, staff and the community.
- Fulfill the information requirements of third parties, such as socially responsible investors or donors, who request this information.
- Follow the example of many private sector businesses in providing shareholders with a social performance report to demonstrate increased transparency and a broader framework for decision-making.
- Establish a baseline of performance before entering a phase of change or evolution.
- Demonstrate to microfinance institutions how social performance can be measured practically on a regular basis.

The SOCIAL tool assesses six dimensions of social performance: social mission, outreach, client service, information transparency and consumer protection, association with the community, and labor climate. It consists of interviews with management, staff, board members and clients; strategic plan/business plan, minutes of Board of Directors meetings; MFI client database; available external survey data to

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validate the MFI database; secondary source data (national data, MIX, market studies); map of geographic coverage; and branch visits. To date, ACCION has completed three pilot tests of the SOCIAL tool, and a fourth pilot test will be completed by the end of 2006.

Social Performance Assessment—Five Private Sector Approaches

1. AccountAbility 1000
AccountAbility 1000 (AA1000) is a global social auditing initiative launched by the Institute of Social and Ethical Accountability to address the need for organizations to integrate stakeholder engagement processes into their day-to-day activities. It is based on the premise that by measuring, communicating, and obtaining feedback on its social performance, an organization can better understand and respond to the needs and aspirations of stakeholders and to manage these as part of its strategic objectives and targets.

AA1000’s approach to social auditing is to emphasize process standards as opposed to performance standards, meaning that it specifies the processes that an organization should follow to account for its performance rather than certain performance levels that the organization should achieve. Through engagement with stakeholders, AA1000 seeks to link an organization’s values to the development of performance targets that are relevant to different stakeholders, thereby linking social and ethical issues to the organization’s strategic management.

2. Atkisson Compass Assessment
The Atkisson Compass Assessment is a peer-reviewed assessment framework designed for use with small-to-medium-sized companies, organizational departments, and major projects. The Compass Assessment uses a variety of approaches, including documentation review, interviews, benchmarking research, and general knowledge of sustainability to produce an integrated assessment that identifies organizational strengths and weaknesses. It can be applied to working businesses, project proposals, or any other major initiative where significant funds are at stake.

The Compass framework—nature, economy, society, and well-being—adds a fourth dimension to the popular “triple bottom line” framework. Well-being refers to the health, happiness, and satisfaction of the people affected. It covers measurable indicators, such as safety, together with intangibles, such as perceived quality of life. These are often the variables that make the most difference to insurers, workers, voters and customers. Atkisson can also design an entirely new framework if desired based on many other popular sustainability frameworks.

3. Balanced Scorecard
The Balanced Scorecard (BSC) is a self-assessment system designed to enable organizations to clarify their vision and strategy and translate them into action. The BSC posits that financial metrics alone are not sufficient and that an organization needs a more holistic, balanced set of performance measures that reflect different drivers of organizational performance and contribute to superior performance and achievement of the organization’s strategic objectives.

The BSC provides feedback on both the internal business processes and external outcomes in order to continuously improve strategic performance and results and align vision and mission with stakeholder requirements and day-to-day work. To do this, it tracks key performance indicators continuously over time to look for trends, best and worst practices, and areas for improvement.

The BSC breaks down organizational performance into four dimensions: financial, customer, internal business processes, and learning and growth. The organization’s vision, mission, and strategy are further broken down into different views as seen through the eyes of four key stakeholders: business owners, customers, managers and employees. Each stakeholder lays claim to one dimension of organizational performance; owners to financial performance, customers to customer performance, managers to internal business processes, and employees to learning and growth. The Balanced Scorecard seeks to translate and balance the needs, perceptions, and expectations of each stakeholder into action through translation of

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22 http://www.accountability.org.uk/aa1000/default.asp
23 http://www.atkisson.com/what/sustainability.html
24 http://www.balancedscorecard.org
vision into strategy, strategy into operations, and operations into outcomes.

The BSC uses a six-step framework to build an organization’s scorecard. Step one includes an assessment of the organization’s foundations, core beliefs, market opportunities, competition, financial position, short- and long-term goals, and factors that influence customer satisfaction. Step two is the development of overall business strategy. Step three is the decomposition of business strategy into smaller strategic objectives. Step four creates a strategic map of its overall business strategy. In step five the organization develops performance measures to track strategic and operational progress. Finally, in step six the organization identifies new initiatives that need to be funded and implemented to ensure scorecard strategies are successful.

4. Global Reporting Initiative

The Global Reporting Initiative (GRI) is a multi-stakeholder process and independent institution whose mission is to develop and disseminate globally applicable Sustainability Reporting Guidelines. These Guidelines are for voluntary use by organizations for reporting on the economic, environmental, and social dimensions of their activities, products, and services. The mission of the GRI is to make reporting of social performance as routine, comparable, and transparent as financial reporting by utilizing a multi-stakeholder process to develop, disseminate, and report social performance indicators. The GRI incorporates the active participation of representatives from business, accountancy, investment, environmental, human rights, research and labor organizations from around the world. Through an extensive process of stakeholder consultation, the GRI has identified a large number of social performance indicators, including a set of indicators for financial institutions. Indicators for financial institutions fall under one of eight performance categories:

1. corporate social responsibility,
2. internal social performance,
3. performance to society,
4. performance to suppliers,
5. retail banking,
6. investment banking,
7. performance to customers,
8. performance to suppliers.

Box 2. Joint Triodos Bank and Global Reporting Initiative - Transparency and Sustainability in Finance

Triodos Bank and the GRI initiated a project called Transparency in Sustainability in Finance to assist MFIs in the implementation of GRI Guidelines. During 2004, Triodos International Fund Management and six MFIs launched a pilot project aiming at implementing sustainability reporting within the MFIs. “A sustainability report is a statement explaining how a company is embedded in its social, ecological and economic environment; a principle known as triple bottom line.” The six MFIs involved were: Acleda Bank (Cambodia), K-Rep Bank (Kenya), Centenary Rural Development Bank (Uganda), FIE (Bolivia), Banco Solidario (Ecuador), and Findesa (Nicaragua). The recently published High5! Handbook was the tool used during the implementation of the project.

In March and April 2005, two coaches from Triodos Bank and GRI made individual visits to each of their assigned banks. The main conclusion from these meetings and discussions is that GRI reporting seems to be a very useful tool for improving the goal setting, self-evaluation, strategic management and decision-making capacity of the organizations, as well as for the bank’s ability to communicate performance results and impact regarding the triple bottom line and the financial aspects of their agenda.

The first phase of the project is complete, and results were discussed in September 2005 at a workshop. “All participating MFIs indicated they are dedicated and recognize the issues involved.” Also, “all participating MFIs expressed commitment to alter their management systems to address sustainability issues and develop further indicators for the microfinance sector.” There is strong support to continue the second phase of the project, which will focus on further implementation of these concepts by the MFIs as well as increase the number of participating MFIs.

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25 www.globalreporting.org
27 Ibid.
28 Ibid.
(7) asset management, and (8) insurance. See box 2 for an explanation of a joint GRI and Triodos Bank initiative on “Transparency and Sustainability in Finance.”

5. Roberts Enterprise Development Fund

Roberts Enterprise Development Fund (REDF) has adopted social return on investment (SROI) to assess its social performance. SROI incorporates principles from return on investment and cost-benefit analysis to derive a monetary estimate of net social benefit. Net social benefit is typically expressed as the discounted dollar value of social benefits minus discounted social costs or as a ratio of social benefits to social costs.

REDF postulates that social organizations create value running along a continuum from purely financial, which is relatively easy to measure, to purely social, which is relatively hard to measure. In-between financial and social value is socio-economic value; a hybrid value (part financial and part social) that lends itself to monetization more readily than pure social value. REDF focuses on measuring financial and socio-economic value. It measures socio-economic value by public cost savings and new taxes generated by individuals employed by the REDF social purpose enterprises. It then produces separate, monetized estimates of financial and socio-economic value and combines the two to arrive at an estimate of blended value.

Social Rating Approaches

M-CRIL, Microfinanza, and PlanetRating

Three specialist microfinance rating agencies—Micro-Credit Ratings International Ltd (M-CRIL), Microfinanza, and PlanetRating—are developing and pilot testing social rating tools, partly drawing on some of the initiatives already described. For each agency, the approach is to develop a social rating product that complements the credit rating, enabling an assessment of both the social and financial performance of an MFI. A common framework for social rating has been agreed upon through a consensus of the rating agencies and other initiatives.

The framework is divided into context, process, and results, with the key dimensions as follows (including a suggested notation as a counterpart to the notation now familiar in financial performance). Please see the framework in table 2 below.

In the framework, SPM has reference to the mission and model of each MFI. The other dimensions assume generic social values, though specific indicators may be adjusted (or omitted) depending on the MFI model. For example, MG (member governance) is applicable to member-owned institutions; indirect indicators of outreach (for example, hired employment in credit-supported enterprises) are applicable to MFIs that do not focus on the poor, but

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### Table 2. Social Rating Framework

| Context | • Country and regional development indicators (from secondary sources)  
• Microfinance institution profile and financial services |
|---------|---------------------------------------------------------------------|
| Process: Policies and Strategies | • Social performance management (SPM)—mission clarity; alignment of systems  
• Social responsibility—to clients (SR-CL), including, where applicable, gender approach (GA), member governance (MG), non-financial services (NFS)  
– to community (SR-Cm);  
– to staff (SR-St); and  
– to environment (SR-Env), from lenders to small enterprises |
| Results: Achievement of Social Goals (SG) | • Outreach (SG-Or): Depth and breadth, may include hired (non-family) employment  
• Financial services (SG-Sv): Variety, appropriateness, and transparency  
• Change (SG-Ch): Outcomes and impact |

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29 www.redf.org/results-intro.htm
30 For more detail on the framework, please see: “Social Rating and Social Performance Reporting in Microfinance: Towards a Common Framework,” The SEEP Network, October 2006
aim to provide finance to micro- and small enterprises.\textsuperscript{31}

The method involves both an audit and indicator-based approach, and may include field level interactions with a small (but statistically valid) sample of clients, to include an assessment of the depth of outreach and client feedback on services.

M-CRIL has pioneered a comprehensive approach to assessment of whether an MFI is achieving (or is likely to achieve) its social objectives and how closely these are aligned with wider development values.

As in credit rating, the methodology includes review and use of the MFI database and records, along with interviews with Board members, management and staff. If client level information (including poverty assessment and market feedback) is available and maintained systematically by the MFI, as part of its social SPM, this data can be verified (or audited) and used directly in the Social Rating. Until an MFI has such a system, a small sample survey of clients is undertaken as part of the Social Rating exercise so as to assess poverty levels of incoming clients (depth of outreach) and to obtain client feedback on the services provided. This sample can also be used as a baseline for later follow-up to assess outcomes.

M-CRIL undertook seven Social Ratings, including a field survey, during 2005-6 in India and Bangladesh.\textsuperscript{32} Microfinanza has undertaken a Social Rating in Macedonia. Planet Rating collaborated in a pilot of the USAID SPA tool in Bolivia, and undertook two Social Ratings based on the CERISE tool in Eastern Europe. Planet Rating also has also plans to conduct Social Ratings in Mali.

All three agencies have plans to develop and apply Social Rating further, building the database for appropriate benchmarking and scoring. The further development of Social Rating will enable comparison across contexts and models, providing relevant information to (social) investors and useful feedback to MFIs on their social performance – the strength of their systems and the results.

**Collaborative Network Developing a Common Framework in Social Performance**

Social Performance Task Force

The Social Performance Task Force is an action-oriented group of over 100 members representing practitioners, donors, investors and rating agencies worldwide. During the first year of the Task Force, the group focused on defining social performance, developing a common framework for social rating and social performance reporting, creating basic communication pieces for the industry to understand social performance, and developing a training agenda for future work in social performance measurement and management. In the second year of engagement, the task aims to accomplish the following:

1. Promote and support the management of social performance by MFIs.
2. Work towards developing standards and guidelines for social performance.
3. Create a common reporting format with the broad group of stakeholders.
4. Assess the market demand for social performance—who wants the information and what information is considered most relevant—and determine the interest for the organizations so that the maximum number of organizations have incentives to report.
5. Advocate the value, importance and imperative of social performance in the microfinance industry
6. Coordinate, communicate, and disseminate information about global activities related to social performance via a Social Performance Resource Center (housed at the Microfinance Gateway) and through materials to Task Force members to distribute throughout their regions.

The Task Force serves as a forum for engagement around issues and questions that need Task Force member input for resolution as opposed to being a forum for general information exchange.

Task Force members believe it is important to involve a large group of practitioners in the dialogue and process of developing standards to avoid a top down approach, implying a need for more training and capacity building of practitioners.

\textsuperscript{32} The first pilot example for an MFI in South India (BWDA) is available on the M-CRIL web-site, www.mcril.com; and also on the Rating Fund web-site, www.ratingfund.org. Later examples, which have served to develop the tool further, will be available shortly.
and support in developing SPM systems that incorporate interests of different stakeholders. There is also a need to engage stakeholders in the dialogue so that the industry arrives at standards that will be consensus driven. Therefore, the role of the Task Force will be to manage this process, making sure the interests of different stakeholders will be balanced in the end.

**Going Forward**

The SEEP Network Social Performance Working Group (SPWG) has undertaken two initiatives related to social performance: the creation of a Social Performance Glossary and a Social Performance Map, which will build the foundation for State of the Practice in Social Performance publication(s).

**Social Performance Glossary**

The Social Performance Glossary contains more than 250 definitions related to social performance, assessment, micro-finance, financial services, and enterprise development. The purpose of the Glossary is to create a common terminology in the industry to facilitate discussion, collaboration, and progress in the area of social performance. The Glossary is targeted primarily at microfinance practitioners, donors, and investors. In 2007 an interactive, web-based version of the Glossary will be available, housed either on the SEEP website or the Microfinance Gateway Social Performance Resource Center.

**Social Performance Map and State of the Practice Publication(s)**

A Social Performance Mapping Workshop will be held October 23-24, 2006 during the SEEP Annual Conference. This activity will support the work of the SPWG. During the Workshop representatives from committed practitioners of Social Performance will gather to contribute their knowledge and experiences to produce a social performance map—an inventory and analysis of approaches, methods, tools and lessons learned from the NGO, private, and microfinance sectors. Participants will identify and discuss important issues in Social Performance, take an inventory of Social Performance initiatives worldwide, and begin to identify steps for the future.

This workshop will be a creative working environment that will result in laying the foundation for the production of the “State of the Practice in Social Performance” publication(s), which will be completed in the months ahead. The State of the Practice publication(s) will include an exhaustive summary and analysis drawing from the NGO, private, and microfinance sectors, encompassing the following:

1. SP conceptual frameworks.
2. Different SP approaches/initiatives and how they fit within the conceptual frameworks.
3. Costs and benefits and tradeoffs implied by different approaches.
4. Uses and benefits of SP for different stakeholder groups.

The State of the Practice in Social Performance publication(s) will fill a gap in knowledge about the state of the practice in social performance and equip practitioners and donors with information useful for sorting through the issues and options and making decisions related to their roles and responsibilities.

The State of the Practice in Social Performance publication(s) anticipates where the industry is heading in terms of social performance and suggests a path to get there in a way that is most likely to create scale and thereby industry-wide social transparency and social accountability. A minimum goal of the State of the Practice in Social Performance publication(s) is that it equips stakeholders to make informed decisions regarding the following:

1. The relevance of Social Performance to their institutional and/and personal mission, objectives, and values.
2. The extent to which their perceptions of and expectations for Social Performance are accurate, including the extent to which they are aligned with experience and with what is feasible.
3. The approaches to Social Performance (both conceptual and methodological) that fit best with their mission, values, and objectives as well as with their resource constraints. Included with this is the ability to understand the relative costs and benefits of different approaches and to identify and weigh tradeoffs between them.
4. Strategies for moving from talking about Social Performance to doing Social Performance, both

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with regards to their institutions and/or themselves and the sector as a whole.

A significant amount of information about Social Performance approaches and initiatives exists, but it is fragmented across multiple fields (e.g., microfinance, foundations, private sector business, and other development fields). Each field has reasonably good approaches and activities, but is largely ignorant of any other efforts. The lack of comprehensive (systematic and organized) information about Social Performance has a number of important implications for work in this area:

- It produces inefficient, unnecessary duplication of efforts.
- It leads to inefficient allocation of funding. Donors and other social investors lack information to strategically and efficiently target their funds to complementary initiatives.
- It denies actors important information that would inform and improve their own Social Performance initiatives.
- It slows down progress, both in terms of actual progress achieved and understanding of what progress has been made. Absent a more complete picture of what is happening in Social Performance, stakeholders can only judge progress based on what they see in their own efforts, which may lead to unnecessarily pessimistic conclusions about what has been, or could be accomplished.34

Successful completion of the Social Performance Glossary and Social Performance Map/ State of the Practice publication(s) offer potential for significant benefit to the microfinance and wider development communities.

Experience thus far indicates that measuring and managing social performance is difficult. However, measuring and managing financial performance was also challenging and it took time, hard work, and innovation to develop systems. No less should be expected to develop systems to accurately measure and manage social performance. The number of ongoing SPM and SPA initiatives, the innovations they embody, and the support and interest they are engendering give cause for optimism.

34 Ibid.
Annex 1-Declaration of Principles

Promoting Social Performance in Microfinance toward a ‘Double Bottom Line’

“Microfinance works best when it measures – and discloses – its performance; accurate, standardized performance information is imperative, both financial information and social information.” (From the G8-endorsed CGAP “Key Principles of Microfinance”)

As organizations involved in the field of microfinance, we the undersigned:

1. **Define** social performance as the effective translation of an institution’s social goals into practice (actions, corrective measures, outcome).

2. **Recognize** that financial performance alone is insufficient to achieve our goal of serving increasing numbers of poor and excluded people sustainably. Success in microfinance is driven by a double-bottom line: strong financial and social performance, and these twin measures are mutually reinforcing in the long run.

3. **Further recognize** a growing interest from donors, networks, practitioners, rating agencies, funders, and other stakeholders in testing, applying, and improving new tools for social performance management, assessment, monitoring, and reporting.

4. **Support** recent developments in the field of monitoring social performance. Many actors developed new tools, all of which have the same objective of promoting social performance but offer different approaches.

5. **Commit** to improving the social impact of microfinance by:
   - Becoming pioneers in the practice of regularly assessing, reporting on, and managing the social performance of our organizations and the organizations we support
   - Setting clearly specified social objectives for our own organizations and criteria for the organizations we support
   - Designing, introducing and using systems to manage, assess, monitor, and report inside and outside our organization on social performance
   - Using information on social performance to improve our operations
   - Remaining open to external auditing of our social results
   - Promoting and exchanging ideas and information on social performance.

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35 The social value of microfinance relates to improving the lives of poor and excluded clients and their families and widening the range of opportunities for communities. To create this value the social objectives of an MFI may include:

- Serving increasing number of poor and excluded people sustainably; expanding and deepening outreach to poorer people
- Improving the quality and appropriateness of financial services available to the target clients through the systematic assessment of their specific needs
- Creating benefits for the clients of microfinance, their families and communities relating to social capital and social links, assets, reduction in vulnerability, income, access to services, and fulfilment of basic needs.
- Improving the social responsibility of the MFI towards its employees, its clients and the community it serves.
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About SEEP

SEEP is an international network of over 70 organizations committed to reducing poverty through microfinance and enterprise development. SEEP members are active in over 140 countries and reach over 25 million microentrepreneurs and their families. SEEP promotes professional standards of practice in microfinance and enterprise development, conducts capacity building activities for its members and other practitioners, creates and disseminates publications for application in the field, and serves as a center for collaboration on a broad range of sector-related issues.

–Dana de Kanter, Executive Director

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