

The Social Performance of ASHI: a Participatory Assessment

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ACRONYMS

ASHI	Ahon Sa Hiras, Inc.
APDC	Asian and Pacific Development Centre
Cashpor	Credit and Savings for the Hardcore Poor
CGAP	Consultative Group to Assist the Poorest
CSR SME Asia	Coalition of Socially Responsible SMEs in Asia
FGD	Focused Group Discussion
GDP	Gross Domestic Product
MAPI	Microfinance Council of the Philippines, Inc.
M& E System	Monitoring and Evaluation System
MIS	Management Information System
MFI	Microfinance Institute
NCPA	National Commission on Poverty Alleviation
OMB	Opportunity Microfinance Bank
PKSF	Palli Karma Sahayak Foundation
PSPA	Participatory Social Performance Assessment
SDP	Social Development Programs
SPDD	Special Programs Development Department
SPI	Social Performance Indicator
SSS	Social Security System

THE SOCIAL PERFORMANCE OF ASHI: A PARTICIPATORY ASSESSMENT

by

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&

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1. INTRODUCTION

Microfinance institutions (MFIs) were established with the social mission of uplifting the socio-economic conditions of people who are excluded from traditional banking system, by providing them access to financial services. Even today, MFIs view microfinance not simply as a finance and microenterprise development activity but one that has a social function as well. Microfinance has led to a value formation that puts a premium on empowerment of women, the poor's right to development and their participation in policy determination. It has also produced new modes of individual freedom for the clients (e.g. access to education by children of clients, thus enhancing the status of their households in the community; access to modern means of communication, boosting not only the business capacity of clients but also their social standing in the village). Microfinance has also spawned new coordinators of collective action (e.g. the modern OMB - Opportunity Microfinance Bank - in the Philippines and in some Eastern European countries; the self-help promoting institutions of India; microfinance apex funds represented by PKSF - Palli Karma Sahayak Foundation of Bangladesh, etc.), thus creating a new discipline in the art and science of finance and bestowing on the workers of the new discipline the singular distinction of belonging to 'an entirely new breed of bankers for the poor'.

Notwithstanding the nobility of their social mission, MFIs soon realized that without financial sustainability it was not possible to pursue this social mission over the long haul. With the help of increasingly sophisticated tools of financial analysis and concerted capacity building support from the donors, MFIs have learned to monitor and control their operations with the view to achieving financial sustainability.

As the tools of financial analysis improved and the awareness of financial sustainability heightened, doubts have also increased on whether the preoccupation with financial sustainability has overshadowed the social mission. Part of the problem was the lack of an appropriate instrument for evaluating social performance, rendering MFIs less articulate about the extent to which they have fulfilled their social mission.

Against this backdrop, an initiative was launched in June 2002 at a meeting in Amsterdam convened by Dr. Koenraad Verhagen (Argidius Foundation) and Dr. Syed Hashemi (CGAP).

¹ The authors are the President of CSRSME Asia (Coalition of Socially Responsible Small and Medium Enterprises in Asia), and the President of ASHI, respectively. The errors and omissions in this report are solely those of the authors and may not be ascribed to ASHI or any of its staff. The authors acknowledge the assistance of Mr. Jojo Padilla, Executive Director of VEDCOR, in conducting the Focused Group Discussion with the respondents of the external review and in preparing the synthesis tables. The authors are highly grateful to the ASHI Branch Managers, Area Managers, and senior staff members who facilitated the participatory social performance assessment among the clients.

The first phase of this initiative resulted in the development of a conceptual framework author for defining social performance in the MFI sector and the construction of an auditing tool comprising a set of operational indicators designed to measure the different dimensions and elements of social performance of MFIs.

Now on its second phase, the SPI initiative is testing the auditing tool with selected MFIs in various parts of the world. The objectives of SPI Steering Committee in conducting this test are to check the accessibility, availability and reliability of the information provided, to define the questions precisely and to test the capacity of the tool to distinguish between different types of MFIs and different approaches to clients, in terms of social performances.

One of those selected for an in-depth test of the social performance audit tool is the Ahon Sa Hirap, Inc. (ASHI). Subsequently, ASHI engaged an external reviewer to administer the social performance audit. In the process, the external reviewer suggested to adopt a participatory approach by involving the clients of ASHI in the external review. This report intends to describe this participatory approach to social performance assessment and to present the results of the experiment.

ASHI: The First Grameen Replicator in the Philippines

ASHI started in 1989 as a social science research project of the University of the Philippines in Los Baños, with a grant from the Asia Pacific Development Center (APDC) based in Malaysia and technical assistance from Cashpor, the regional network of Grameen replicators. In September 1991, ASHI was registered as a non-profit, non-stock corporation, serving 100 beneficiaries in Laguna Province. By 1993, the research project was running out of resources, as administrative expenses were higher than revenues and repayment rates were deteriorating. ASHI's case summed up the story of many MFIs at that period : long on social mission, short on financial sustainability. For every Peso lent, ASHI spent P1.23; its operating and financial self-sufficiency ratios stood at 0.16 and 0.14, respectively.

With the help of a Cashpor consultant, ASHI decided to embark on a rehabilitation project. The organization was revamped branch-by-branch and center-by-center. The *essentials of Grameen Banking* were restored, namely regular attendance of weekly meetings, punctuality, pledge, seating arrangements and - absolute insistence on on-time repayment. The results were remarkable: the repayment rate soared from 64.4% in 1994 to around 99% thereafter; transaction costs were greatly reduced ; both the operational self-sufficiency and the financial self-sufficiency ratios increased, although full financial sustainability has yet to be reached.

In 2002, ASHI developed and installed a computerized Management Information System (MIS) with the aim of improving operational efficiency. It revised its standard Chart of Accounts to conform to the computerized MIS. The MIS focuses largely on the MFI's financial performance. Monthly Project Statement Report of the branches highlight key indicators such as client outreach, loans disbursements, collection performance, client exit, and so forth.

The assessment of ASHI's social performance remains an occasional exercise. The latest external impact assessment, conducted in 2000 by Cashpor and Philnet, reported the following findings:

- There is strong evidence that ASHI reaches the “poorest of the poor” women of the community. Its clients are women from the depressed and marginal areas. To ensure it focuses

only on poor women, ASHI uses three targeting instruments: House Index, Income Index and Productive Assets Index.

- Focused group discussions (FGD) with the women clients revealed that they felt more empowered because they no longer depend solely on the income of their husband; they enjoy making the decisions regarding their businesses, and they have time and resources for themselves.
- ASHI has been responsive to the needs of its clients. In 2002, other complementary services to empower their clients were introduced. A Special Program Development Department (SPDD) has been set up to exclusively handle ASHI's non-banking services including Social Development, Micro-insurance, Research, Communication & Publication, Health and Housing.
- There was overwhelming positive response to its program by the respondents. But there are equally strong complaints about group responsibility, group pressure and very long meetings. Group disbandment, group conflict and group pressure were the main reasons exit clients gave for leaving.
- ASHI's non-financial services aim at strengthening the member-clients' capabilities. These include : (i) Social Development Programs (SDP, i.e. involving skills training, team building, nutrition, resolving conflicts, current events, bible reading, clean and green program, health education, husband and wife workshop, beauty and brain contest/ Mrs. ASHI, etc. (ii) Social Security System (SSS) for health, death and retirement benefits ; (iii) General Assembly for the annual social gathering, recognition of members and staff annual performance awards; (iv) Dialogue with the President to clarify ASHI policies and make suggestions to the President on how to improve ASHI services ; (v) Annual leadership training for center chiefs and group leaders ; (vi) Microenterprise Trainings in finance and marketing ; and (vii) Branch anniversaries to commemorate the day of Branch start-up, celebrations through songs, dance and games.
- Clients participation in programs that are voluntary in nature, such as savings mobilization, remains low.

At the inception of the present study, the external reviewer discussed with the ASHI President the possibility of integrating the social performance review into its monitoring and control system in order to provide the MFI management a regular update on the social aspects of the MFI's performance, even as it periodically evaluates its financial performance. The external reviewer also suggested involving the clients in a periodic social performance review, which can be undertaken through focused group discussions (FGD). Since clients are organized into Centers and they meet on a weekly basis, one weekly meeting can be devoted to an assessment of the MFI's social performance.

The ASHI President reacted positively to this proposition. Inasmuch as the ASHI President conducts a periodic dialogue with the clients at the Center level, it was deemed that such a dialogue is a good occasion for a participatory social performance assessment.

2. THE INTERNAL REVIEW

Following the recommendation of the SPI Steering Committee for the SPI survey, an internal review was first conducted by ASHI. Seventeen (17) senior staff of ASHI, comprising Branch Managers and Development Officers, participated in the internal review by answering the SPI questionnaire. The results of the internal review are shown in Table 1.

Based on the results of the internal review, ASHI's senior staff regards the MFI's social performance as particularly strong in the areas of adaptation of products and services (average total score of 21.71 out of 25 perfect score) and the improvement of the social and political capital of the clients (average total score of 20.41 out of 25 perfect score). On the other hand, they view the MFI's performance as not so outstanding in terms of its outreach to the poor and its social responsibility to the community (average total score of 15.41 and 14.41, respectively)

When the external reviewer asked the respondent staff of ASHI about their perceptions on the social mission of ASHI, each one of them affirmed the achievements of ASHI in reaching out to the poorest women as well as in social work for the benefit of the local community. The external reviewer then asked the respondents which parts of the SPI questionnaire they had difficulties in understanding or were not very clear to them. Based on their responses, it appeared that a thorough briefing on the questionnaire is necessary to clarify the meanings of terminologies and arrive at a standard interpretation of each question. In the absence of such briefing, the responses to the questionnaire could vary significantly among the management staff of the MFI

Some of the results of the internal review which provide useful insights into the effectiveness of the survey questionnaire as an audit tool are the following:

- (1) Six of the 17 ASHI respondents did not consider “**outreach to the excluded**” (*women, illiterates, workers with unsecured status, etc*) an important objective of the MFI. The prevailing reason why they did so, despite their knowledge of ASHI's outreach to poor women, was that the question confused them. While aware that ASHI caters to poor women only, they construed the question as referring to an open-ended option for the MFI to reach out to any excluded sector of society.
- (2) On the issue of **Size of Transactions**, 16 of the 17 respondents reported that all loans of ASHI were more than 100 percent of GDP per capita. In private interviews, however, most of the respondents professed lack of access to data on GDP per capita. The MFI does not publish any breakdown data on loans according to size, and more so, in relation to *the* GDP per capita.
- (3) On **collateral**, the respondents were divided: 9 reported that ASHI “never” provide loans secured only by “social” collateral, while 8 reported that ASHI does have such loans for “over 30% of the loans. These divergent views can be traced to the respondent's different interpretations of “social collateral”.
- (4) On **decentralization of services**, 7 respondents reported that the maximum distance clients travel to receive a loan or make a deposit was more than 10 km. The other 10 respondents reported a maximum distance of less than 10 km. This goes to show that for a particular MFI, the distance of its field offices to clients could vary from one area to the other.

(5) On the **frequency of meetings** to decide the allocation of loans, 5 respondents reported that such meetings were conducted “less than once a month or once a month”, while the rest reported a frequency of more than once a month. This indicates that the quality of services can vary from branch to branch, from center to center, of the same MFI.

(6) On the **influence of clients’ representative bodies**, 6 respondents reported that such bodies have no influence on decisions of the MFI, while the rest reported that these bodies have influenced decisions of the MFI. It is important for the respondents to have a common understanding on what “influence on decisions of the MFI” means exactly and in the context of the MFI’s organizational culture.

(7). The respondents were divided on the question that compares their **point of entry annual income** with that of a school teacher in their area of operations. Nine (9) reported that their starting salary was higher than that of a school teacher, the other six reported the opposite, and one did not answer the question. This divergence of perception partly stems from the fact that salaries of teachers differ between public and private schools, and also among private schools in the Philippines.

(8) Thirteen (13) respondents reported that ASHI did not ever assist the local community through financial support (grants or loans) for **community projects** (school, hospital, church, mosque, etc.). The rest reported that ASHI does provide assistance to community projects. Among the respondents, the understanding of what constitutes a community project differed. Some said that lending to poor women can be construed as a “community project” On the other hand, responses of the ASHI staff during informal interviews indicated that involvement in community projects differed across branches and centers.

(9) Seven (7) respondents reported that **changing products and services due to negative impact** on social cohesion or welfare of the community was not a preoccupation of the MFI. Another five (5) respondents reported that some negative impact of the MFI have been studied but no changes have been made so far. The remaining five (5) reported that impact study has been made and no problems were encountered to warrant a change in products and services but no changes in products and services. The wide variance of responses to this question owes largely to its poor construction, leading to confusion on the part of the respondent.

3. THE EXTERNAL REVIEW

3.1 The Process

After compiling and analysing the results of the internal review conducted independently by ASHI, an external review was made. As discussed with the ASHI President, the objectives of the external review were to review the SPI questionnaire and to suggest improvements that would increase its effectiveness as a social audit tool.

Fourteen (14) respondents from ASHI participated in the external review, consisting of 3 Area Managers, 8 Branch Managers, 2 Accounts Officers, and 1 MIS officer. It was conducted on 13-15 January 2005 at the ASHI Head Office. Rather than spend the survey budget for the travel costs of the external reviewer, it was decided to convene the area managers and branch officers of ASHI at the head office of ASHI where the external review will be conducted through a focused group discussion (FGD). The steps of the FGD are summarized below.

First, the external reviewer walked through the respondents on the SPI questionnaire. He explained the four dimensions of social performance of the MFI and the categories that comprise each dimension. He also explained that each dimension is assigned a score of 25 points, with a total perfect score of 100 points for all four dimensions. A social performance index can, therefore, be constructed for each MFI using the SPI questionnaire as a social audit tool.

The SPI Framework defines social performance in terms of four main dimensions, viz ²:

1. ***Outreach to the Poor and Excluded: Mission and Targeting Strategies.*** MFI have generally been developed to reach a population excluded from the classical financial system. MFIs can have the objective of reaching socially excluded populations or the poor, or simply to offer financial services in a region where classical banking systems are absent. The depth of outreach of the MFI can be measured to evaluate its focus on the economically and socially excluded population.
2. ***Adaptation of the services and products to the target clients.*** It is not enough to decide to reach a target population. The MFI must learn about the target population and work on the design of its financial services so that they can fit with the needs and the constraints of the clients. “Pro-poor” services are too often standardized. Social performance indicators can analyse the process leading to service definition and the extent to which the MFI knows about its clients’ needs.
3. ***Improving social and political capital of clients.*** For the MFI, trust between the MFI and the clients can reduce the transaction costs and improve repayment rates. It thus can foster collective action and reduce free-riding, opportunistic behavior, and reduce risks. For the clients, strengthening their social and political capital can enhance their social organization (collective action, information sharing, political lobbying, etc.). Social performance indicators should measure the degree of transparency, the effort of the MFI towards giving voice to its clients within the organisation and beyond (community, local government, national government, etc.)
4. ***Social responsibility of MFI.*** Social awareness is a necessary pre-requisite for socially responsible corporate behavior. Social responsibility requires an adaptation of the MFI corporate culture to their cultural and socio-economic context, an adequate human resource policy, credit guarantees adapted to the local conditions, and balanced relationships between staff and clients (in particular in MFIs where there are elected clients who participate in decision making).

Second, in order to increase the respondents’ understanding of the rationale for the categories identified for each SPI dimension, the external reviewer gave the respondents some guidelines on how to define “social performance” based on their own experience and to suggest indicators for the purpose of measuring it. To generate these indicators, the respondents were divided into four groups, each group with an appointed Group Leader. The result: the work groups generated a list of raw performance indicators.

Third, the external reviewer further gave guidelines on how to evaluate the raw performance indicators and compare them with the indicators of the SPI questionnaire. The respondents

2 Source: SPI Steering Committee, “Framework of SPI External Review”, 2004

marked those raw indicators that fit in any of the four dimensions of the SPI framework. Raw indicators that could not be classified in any of the four dimensions were to be set aside to form another dimension. The marked indicators were then integrated into the dimensions of the SPI framework. In case the respondents deemed that their indicators were clearer and more relevant than the existing SPI indicators, they were given a free hand to revise the latter. Results of this exercise showed that the respondents were able to classify the raw performance indicators among the four SPI dimensions. No other additional dimension was recommended. At the end of step 3, a process check by the external reviewer indicated that *the respondents had a better understanding of the SPI dimensions and their indicators.*

Fourth, the external reviewer gave guidelines on how to rank the new set of indicators (combination of raw indicators generated by the respondents, the existing SPI indicators, and the revised SPI indicators) based on their perception of the relevance and importance of each indicator. After ranking the indicators, the respondents assigned scores to them (ranging from 1, lowest to 10, highest). Those indicators with a score of less than 5 were not included among the recommended new SPI indicators.

Fifth, the external reviewer further gave guidelines on how to reconstruct the SPI questionnaire by combining the new, the revised, and the existing SPI indicators. For the sum total score of all indicators, it was agreed to adopt the maximum of 100 points. The scores for some original indicators were revised. Table 1 summarizes the suggested revisions of the original SPI questionnaire:

Table 1. Revisions of the SPI Questionnaire Suggested by ASHI Staff

<p>DIMENSION 1: Outreach to the poor and the excluded</p> <ul style="list-style-type: none"> ● Mission of MFI <ol style="list-style-type: none"> 1. Outreach to the poor and outreach to the excluded merged into one: “outreach to the poor and excluded” 2. new indicator added: “Positive impact on entrepreneurial capability of clients ● Size of transaction <p>Question revised: “Over the last 12 months, what is the MFI’s average loan size: _____. What is the country’s GDP per capita: _____. Percentage of average loan size to GDP per capita? _____”</p>
<p>DIMENSION 2: Adaptation of products and services to clients</p> <ul style="list-style-type: none"> ● Range of of services <p>“ Group Loan Fund” replaces “consumption/ emergency loan”</p>

DIMENSION 3: Improving the social and capital of clients

- **Client representatives:** Minor change: reformatting of the question
- **Empowerment:** Substantial changes with the following new categories:
 - (i) Does the MFI provide training for the enhancement of clients' business knowledge & skills? (no =0; yes on an irregular basis = 1; yes on a regular basis/ planned in the strategy = 2. If answer is 1 or 2, What type of business knowledge & skills are enhanced by the MFI's training program?:
 - (ii) Does the MFI undertake personality development programs to enhance the clients' skills for inter- personal relationships? (no =0; yes on an irregular basis = 1, yes on a regular basis/ planned in the strategy =2. If answer is 1 or 2, give at least one example of such program.
 - (iii) Does the MFI undertake programs that seek to enhance harmony and cohesion in family relationships? (no =0, yes on an irregular basis = 1, yes on a regular basis/ planned in the strategy =2). If answer is 1 or 2, give at least one example of such program.
 - (iv) Have the MFI's operations seek to strengthen the social cohesion of the local community it is serving? (no=0; indirect, minor objective=1; direct, major objective=2). If score 1 or 2, describe
 - (v) How does the MFI rank its power to influence the decisions concerning the public policy of the local government? (no influence = 0, positive influence = 1)
 - (vi) How does the MFI rank its power to influence the decisions concerning the public policy of the national government? (no influence = 0, positive influence =1

DIMENSION 4: SOCIAL RESPONSIBILITY OF THE MFI

- **Human resources policy**
 - (i) health coverage for employees - total score increased from 1 to 2
 - (ii) health coverage for employees – total score increased from 1 to 2
 - (iii) no. of employees who left the MFI – total score reduced from 2 to 1
- **Social responsibility to clients**
 - (i) Conduct of socio-economic studies to assess situation of clients: *score reduced from 3 to 2*
 - (ii) Change of products/services due to negative impact on social cohesion/welfare of clients: *score reduced from 2 to 1*
 - (iii) Provision of insurance against indebtedness: *score increased from 1 to 2*
 - (iv) Special measures adopted in collective disaster: *score increased from 1 to 2*
- **Social responsibility to local community**
 - (i) Loan officer who speak local language: *score reduced from 2 to 1*
 - (ii) Financial support for community projects: *score reduced from 3 to 1*
 - (iii) Change of product due to negative impact on social cohesion: *score reduced from 2 to 1*

Source: Results of Focused Group Discussion (FGD) of 14 senior ASHI staff, January 13-15, 2005

3.2 The Participatory Social Performance Assessment (PSPA)

Prior to the SPI survey, the ASHI President agreed with the external reviewer to involve the ASHI clients in the survey. The field exercise for the present review involved at least one (1) representative from each of the Centers supervised by the ASHI branches. This gave Center representatives the opportunity to participate in the pre-test of the revised SPI questionnaire and the privilege of formally evaluating the social performance of the MFI serving them. The methodology of Focused Group Discussion (FGD) was used in the SPI review with the clients. The FGD was administered by the ASHI staff who attended the external review workshop, where they learned to conduct the external review using FGD. The field exercise with the clients was called “participatory social performance assessment”, or PSPA, inasmuch as it sought to record the voices of the poor and excluded on the social performance of the MFI.

The results of PSPA are reported below by area of operations.

Metro Manila

Of the two ASHI branches in MetroManila (MM), the MM South Branch registered higher SPI compared to MM San Pedro, consistently obtaining higher scores in all four dimensions than the latter. In fact, MM San Pedro had the lowest SPI score among all the ASHI branches.

Significantly, MM South's operational self-sufficiency stood at a higher level (75.68%) than that of MM San Pedro (60.49) in 2004 (see Table 2). A contributing factor to this relatively better performance is the higher client-to-staff ratio of MM South (279 clients per staff – the highest among all ASHI branches) compared to MM San Pedro (144 clients per staff). It must be noted, though, that MM San Pedro is younger in terms of years of operation than MM South, and it still has to realize its full potentials as a branch.

Table 2. Social Performance Indicators, By Dimension, ASHI Branches, March 2005

Branch	Outreach	Product Adaptation	Social & political capital	Social responsibility	Overall SPI	Standard Deviation of SPIs	Members per staff	OSS
METRO MANILA								
South	22.13	22.41	24.00	17.67	86.21	1.87	279	75.68
San Pedro	21.15	18.15	20.04	14.52	73.89	2.71	144	60.49
ANTIQUE								
Southwest	21.15	25.00	25.00	20.00	91.15	0.59	60	20.02
South	23.00	23.03	25.00	18.18	89.20	0.64	187	141.11
Norhwest	22.76	22.84	23.52	18.96	88.08	1.41	83	22.00
North	23.89	22.78	21.49	15.57	83.73	2.83	147	44.49
RIZAL								
West	23.97	22.94	24.94	21.39	93.23	1.56*	114	71.30
East	22.57	23.75	24.50	18.75	89.57	2.68*	148	65.90
Central	22.38	22.54	22.13	19.42	86.46	2.10*	152	130.96
Southwest	21.87	21.21	23.00	18.95	85.03	3.03*	226	102.93
LAGUNA								
East	21.79	22.59	22.56	21.38	88.32	1.83*		
South	22.65	22.13	23.29	18.77	86.84	2.49*	268	135.39
Central	20.92	21.89	24.54	17.27	84.62	3.70*	179	72.78

Notably, where perceptions of social performance varied more widely among respondents, the SPI score tends to be lower. This suggests that ASHI clients generally perceive ASHI as doing a good job on the social and political aspects of development. The standard variation of SPI scores reached 2.71 in MM San Pedro compared to MM South's 1.87 (see Table 3). In both branches, the perceptions of respondents varied most extensively on the issue of ASHI's social responsibility, and least widely on the issue of outreach to the poor and the excluded. In other words, more respondents were in agreement about the positive performance of ASHI in outreach to the poor than its performance in social responsibility.

In MM South, respondents gave ASHI the highest SPI score in the area of improving the social and political capital of clients, followed by product/service adaptation, and outreach. A

different view emerges in MM San Pedro: the highest SPI score went to outreach, followed by improvement of social/political capital, and product/service adaptation.

Table 3. Standard Deviation of Individual Responses, By Dimension, ASHI Branches, March 2005

Branch	Standard Deviation Outreach	Standard Deviation Adaptation	Standard Deviation social/political capital	Standard Deviation Social responsibility	Overall
METROMANI LA					
MM South	0.97	1.03	1.13	1.46	1.87
MM San Pedro	0.80	1.08	0.88	1.17	2.71
ANTIQUE					
Antique - SW	0.59	0.00	0.00	0.00	0.59
Antique – S	0.00	0.16	0.00	0.63	0.64
Antique - NW	0.71	0.67	0.50	0.20	1.41
Antique – N	1.48	0.81	1.35	1.15	2.83
RIZAL					
Rizal - West	0.65	0.67	0.25	0.90	1.56
Rizal - East	1.32	0.43	0.78	1.33	2.68
Rizal - Central	0.95	1.04	0.93	0.49	2.10
Rizal - SW	0.61	0.92	2.22	1.23	3.03
LAGUNA					
Laguna East	0.53	0.81	0.69	0.69	1.83
Laguna -South	0.78	0.42	1.55	0.97	2.49
Laguna - Central	1.57	1.16	0.68	1.65	3.70

Antique

There are four ASHI branches in Antique – the South (S), the Southwest (SW), the North (N), and the Northwest (NW). In general, the SPI scores of the southern branches were higher than those of the northern branches. There were also less variation of individual responses in the South compared to the North. Based on the survey results, the respondents seem to have conveyed that the most important contribution of ASHI to social development is the strengthening of the social and political capital of the clients. This is followed by product/service adaptation to the needs of the clients, and outreach to the poor and the excluded. Three of the four Antique branches, i.e. SW, S, and NW, reflected this view. Incidentally, this is consistent with the perceptions of ASHI clients in MetroManila.

Like those of the Metro Manila branches, respondents of the Antique branches underscored the importance of outreach expansion with respect to the operational self-sufficiency (OSS) of the branch. Antique S with the highest client-to-staff ratio also had the highest operational self-sufficiency ratio (141.11%) among the four Antique branches, and among all ASHI branches. Antique N with a client-to-staff ratio of 147 had higher operational self-sufficiency ratio (44.49%) than those of Antique NW (22.0%) and Antique SW (20.02%).

Another familiar trend found among Antique branches is the direct correlation between the average SPI score and the variation of individual perceptions on the MFI's social performance. That is, the higher the level of the average SPI score, the lower is the standard variation of the SPI scores of individual respondents. Antique S respondents had the highest average SPI score (91.15) but the lowest standard variation among their individual responses (0.50). This trend continues down to Antique S and Antique NW, and finally to Antique N which had the lowest average SPI score (83.73) but the highest standard variation of individual responses (2.83).

Rizal

ASHI has four branches in Rizal – the West (W), the Southwest (SW), the Central (C), and the East (E). Rizal W recorded the highest SPI score among the four (93.23), also the highest among all branches of ASHI. This was followed by Rizal SW (89.57), Rizal C (86.46), and Rizal E (85.03).

Except for Rizal C, the three other Rizal branches viewed the strengthening of the social and political capital of clients as the most important contribution of ASHI to social development. This is followed by outreach to the poor/excluded and product/service adaptation to the needs of the clients. Meanwhile, Rizal C respondents chose product/service adaptation as the most important social performance of ASHI followed by outreach to the poor.

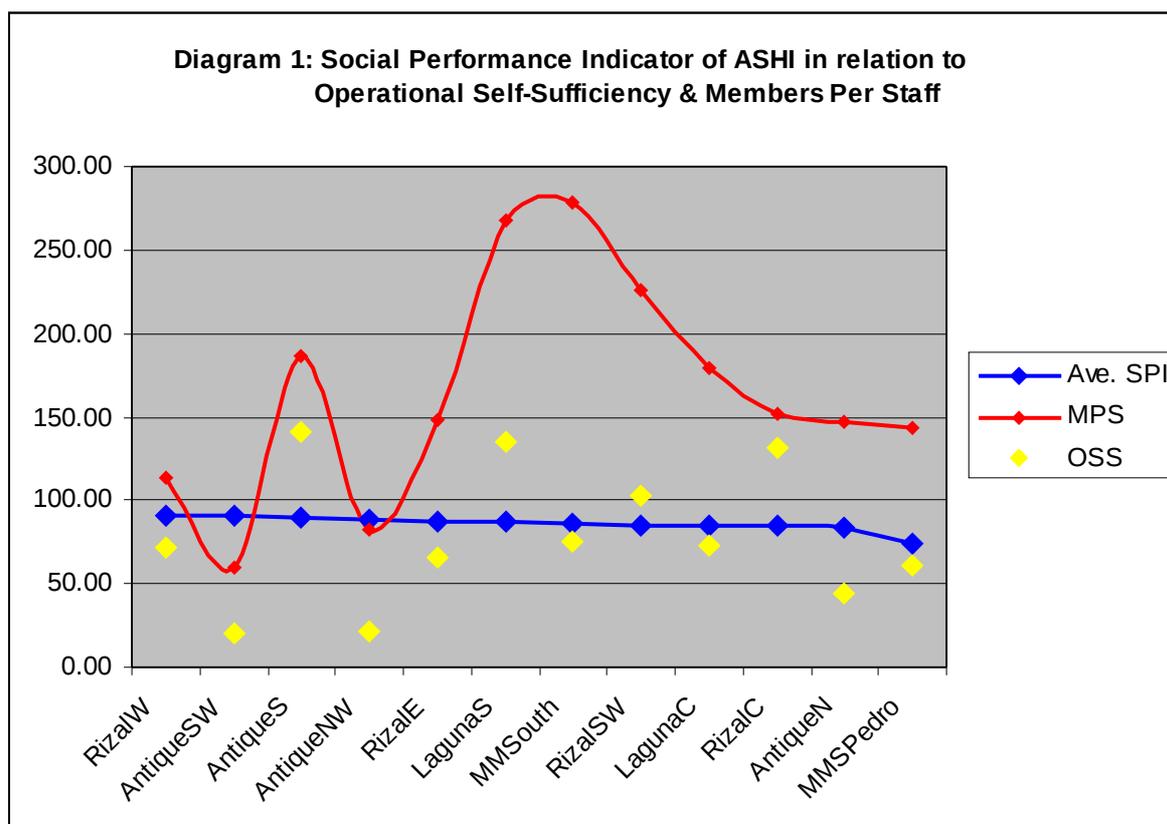
The Rizal branches once more confirm the substantial contribution of outreach expansion to the operational self-sufficiency of the branch. Rizal SW and Rizal C with over 5,000 clients had more than 100% OSS ratios. However, the social performance of the branches does not seem to be correlated with their OSS performance. The two branches with the highest SPI scores had relatively low OSS ratio: Rizal E, OSS ratio of 65.9%; and Rizal W, OSS ratio of 71.3%.

The Rizal W and Rizal SW branches support the earlier finding that the level of the average SPI score is correlated with the standard variation of the SPI scores of individual respondents. Rizal C and Rizal E appear to be exemptions to the rule. Rizal C had relatively higher SPI score than Rizal E, but the latter showed higher standard variation of individual SPI scores compared to the latter.

Laguna

In Laguna, two of the three ASHI branches - Laguna South (S) and Laguna Central (C) – gave higher scores to the dimension on strengthening of the social and political capital of clients, while the third branch – Laguna East (E) – gave almost similar scores for this dimension and that of product/service adaptation.

The survey results from Laguna provide further support to the observation that: (1) outreach expansion contributes directly to the operational self-sufficiency of the MFI; (2) the average SPI score is correlated with the standard variation of the SPI scores of individual respondents; and (3) ASHI's performance in improving the social and political capital of clients is widely recognized as exemplary by the clients themselves.



Notes on Measurements : Average SPI = points; MPS = number; OSS = percent.

3.3 Relationship Between Social Performance and Financial Sustainability

The graphic illustration in Diagram 1 shows a direct relationship between operational self-sufficiency and the average outreach per ASHI staff. That is, the greater the number of clients handled by each field staff, the higher is the operational self-sufficiency of the MFI. This is to be expected since staff salaries constitute the largest component of the MFI costs.

Meanwhile, the SPI score seems to behave independently of the MFI's OSS ratio. This is not entirely surprising inasmuch as the ASHI branches vary greatly in terms of years of operation and size of portfolio. As a matter of course, younger branches tend to have smaller portfolios and lower OSS ratios compared to the older ones. But even while the younger branches are building up their outreach and improving their OSS ratios, their social performance are already making a huge impression on their clients. Here then is one advantage of the SPI to the MFI: it records the social gains arising from the intervention of the MFI even as it moves along the path to financial sustainability – sometimes slowly, other times faster..

Indeed, both the SPI and the OSS are inextricably linked to the MFI's outreach to the poor and the excluded.. The MFI's social performance can only be felt by the community when its outreach among the poor in that community has reached a critical level. And it is precisely when the MFI's outreach has hurdled the critical level that its operations become financially sustainable.

Survey results show that perceptions of ASHI's social performance by member-clients appear fairly stable at relatively high level, ranging from a low of 73.89 points to a high of 93.23 points, with an overall average SPI of 86.32 points for the whole organization. An obvious conclusion from this finding is that ASHI has not abandoned its social mission in the pursuit of financial sustainability. Even as ASHI embarked on a massive overhaul of its operating system to improve its financial self-sufficiency over the years, it has maintained its focus on serving the poor and the excluded, adapted its financial products and services to their needs, and performed its social responsibility to its clients and the communities it is serving.

What is even more significant is that the member-clients conveyed this conclusion through their responses. This indicates the great potential of participatory social performance assessment (PSPA) in gauging target client satisfaction on the extent to which the MFI has accomplished its social mission.

Finally, the fact that the SPI scores varied across the branches point to the importance of applying the SPI at the branch level to aid in spotting potential areas of social discontent among the clients.

4. SUMMARY AND CONCLUSIONS

The SPI questionnaire is a useful social audit tool. It records the social gains arising from the intervention of the MFI even as it moves along the path to financial sustainability – sometimes slowly, other times faster. The management can also use the SPI as a means of spotting weaknesses in the MFI's social performance in various geographic settings, as well as potential areas of social discontent among the clients

The SPI survey at the Branch level provides the MFI management a glimpse of its social performance in different geographic areas of operations. A single indicator generated by an external reviewer at head office level is not the same as a consolidated indicator aggregated from the individual, unique experiences of the branches.

The participatory approach to social performance assessment achieves two purposes: it enables the clients to assess the very dimensions of MFI performance that directly relate to their welfare; and it enables the MFI to gauge the extent to which it has fulfilled its social mission. Owing to its simplicity, it can be administered by an external reviewer-consultant or by the member-clients themselves, assuming they are provided adequate and correct information about the relevant facets of MFI performance. An 'external review' by the member-clients is more meaningful both to the latter and the MFI itself. Member-clients may not really be concerned about the financial sustainability of the MFI, but they can be sensitive to the MFI's social performance. It is when the clients feel that the MFI truly serves their interest that they accept the MFI as their friend, defender, and long-term partner in development. Otherwise, they perceive the MFI as just another benevolent organization from which they could receive 'freebies' and then leave for another when the MFI's resources are depleted.

Training of the MFI staff is imperative in order to enhance the effectiveness of SPI as a participatory assessment tool. Without a thorough understanding of the SPI as a social audit

tool, it can be construed as another instrument constructed by researchers to study some more the behaviour of MFIs.

In ASHI's case, a three-day training was instrumental in making the ASHI staff understand and affirm the original four (4) dimensions of the SPI. Acceptance of these dimensions was by no means an automatic response. The ASHI staff went through the process of reviewing the social performance of their organization based on their own experience and without the use of the SPI questionnaire, and then comparing the indicators they have generated with those included in the SPI questionnaire. In the final analysis, they realized that their framework of analysis was congruent with that of the SPI Steering Committee, and they accepted the four dimensions as reflecting the four basic facets of an MFI's social performance.

Furthermore, the ASHI staff saw the need to contextualize the SPI questionnaire to local conditions. It is quite likely that other MFIs in the country may feel the same way when they begin to consider using the SPI framework. The MFI sector would save a lot of survey costs when contextualization of the SPI framework is done as a collaborative effort of MFIs in the country.

The SPI fittingly serves the management objectives ASHI. In view of this, ASHI will integrate the SPI framework into its monitoring and evaluation (M& E) system. This will be conducted once a year during one of the Center meetings. Results of the SPI focused group discussions (FGDs) at the Center level will then be fed back into the Dialogue of Members with the President, a mechanism instituted to provide member-clients a space to consult the ASHI President directly about their problems and concerns. ASHI plans to involve all the Centers in the exercise. In the final analysis, ASHI hopes that the member-clients will view the SPI tool as a "looking mirror" with which they could assess the Center's own social performance.

Through the PSPA, ASHI anticipates greater clientele awareness and appreciation of their own contributions to the fulfilment of the MFI's social mission. By becoming more aware of the importance of their role in achieving the MFI's social mission, clients will be more sensitive to the results of the PSPA. Every aspect of social performance that looks good will be a cause for applause and rejoicing among the clients, while every aspect of social performance that looks bad will become a common concern of, and a cause for action by all member-clients.

5. RECOMMENDATION: PROPOSAL FOR SPI SURVEY OF THE MEMBERS OF MICROFINANCE COUNCIL OF THE PHILIPPINES. Inc (MCPI)

ASHI proposes to conduct a SPI survey of members of the Microfinance Council of the Philippines, Inc (MAPI). Being herself the concurrent MAPI President, the ASHI President has initiated discussions on the SPI tool among the MAPI members during its regular meetings. This present proposal elaborates on the activities to be undertaken in the proposed SPI survey of MAPI members and the budgetary requirements of the project.

The activities of the proposed project are the following:

1. *Review of the SPI Questionnaire:* A two-day experts consultative workshop will be convened to review the SPI in the context of Philippine experience in social performance evaluation and the particular needs of the MFIs working with the poor. The expected output

from this activity will be a SPI questionnaire endorsed by the Microfinance Council of the Philippines Inc. (MAPI) for use by its institutional members..

2. *Training of External Reviewers and PSPA Facilitators, two batches:* A three-day training workshop on SPI will be conducted among selected external reviewers and facilitators of the participatory social performance assessment (PSPA). External reviewers are evaluation experts who will conduct the SPI survey and make their own expert evaluation of the MFI's social performance. PSPA Facilitators are trainers who are well-versed in Focused Group Discussion (FGD) as a means of generating information from respondents. Two (2) batches of the training workshop will be organized in order to accommodate participants from all MAPI members and other interested civil society organizations..

3. *Conduct of the SPI Survey, up to 30 days per MFI inclusive of both external review and PSPA:* Two types of SPI survey will be conducted: an external review by an expert, and the PSPA. The external review will be conducted by an independent analyst and it aims to provide management with an objective assessment of the MFI's social performance from someone who is not involved in the MFI's business. The PSPA will be conducted by trained FGD facilitators and it aims to provide management with an assessment of the MFI's social performance from the viewpoint of the clients themselves. The purpose of adopting the two approaches is to further test the usefulness of the SPI both as an internal audit tool and as an external audit tool..

4. *Analysis of the Survey Results, 15 days per MFI:* This activity includes the processing of survey data and analysis.

5. *Report writing and dissemination, 15 days.* This activity includes the writing of the first draft, circulation of the first draft to designated commentators, the revision of the draft report, and the dissemination of the final report.

6. *National Workshop on SPI.* The two-day national workshop will convene the experts group members who participated in the experts consultative workshop, the leaders of MAPI members and of other civil society organizations, concerned officials of relevant government agencies, and representatives of regulatory/ supervisory bodies (e.g Bangko Sentral ng Pilipinas, Cooperative Development Authority, etc.)

7. *Publication of Final document on SPI and dissemination, 30 days inclusive of the writing of the SPI Manual, publishing of the Manual, and launching of the Manual.* The SPI Manual will be launched in a formal gathering of MFIs, civil society organizations, relevant government agencies, and regulatory/ supervisory bodies.

Project Budget:

1. Project coordinator, 12 months: P55,000 per month	P660,000.00
2. Experts Consultative Workshop	
- Honorarium, 5 resource persons @ P10,000 per expert	50,000.00
- Food expenses, 30 participants + 5 resource persons, P1,200 per person per meal, 2 meals per day, 2 days	168,000.00
- Rental of equipments (sound system, LCD, etc.), P5,000/day, 2 days	10,000.00
3. Training of External Reviewers and PSPA Facilitators	
- Honorarium, 3 resource persons @ P10,000 per expert per course,	

2 courses	60,000.00
- Food expenses, 30 participants + 3 resource persons, P1,200 per person per meal, 3 meals per day, 3 days	445,500.00
- Hotel accommodation, 33 persons, P 3,500/day/person, 2 days	231,000.00
- Rental of equipments (sound system, LCD, etc.), P5,000/day, 3 days	15,000.00
4. Conduct of the SPI Survey	
- Professional fees, external reviewers, 30 MFIs, P50,000 /MFI	1,500,000.00
- Travel expenses, P10,000/trip, 30 trips	300,000.00
- Per diems, P3,500/ day, 4 days per MFI, 30 MFIs	420,000.00
- Supplies: P2,500/MFI, 30 MFIs	75,000.00
5. Analysis of the Survey Results	
- Professional fees, external reviewers: P50,000/MFI, 30 MFIs	1,500,000.00
- Supplies, P2,500/ MFI, 30 MFIs	75,000.00
6. National Workshop on SPI.	
- Honorarium, 5 resource persons @ P10,000 per expert	50,000.00
- Food expenses, 50 participants + 5 resource persons, P1,200 per person per meal, 2 meals per day, 2 days	264,000.00
- Rental of equipments (sound system, LCD, etc.), P5,000/day, 2 days	10,000.00
7. Publication of Final document on SPI and dissemination	
- Professional fees, writers: P50,000/MFI, 30 MFIs	1,500,000.00
- Supplies, P2,500/ MFI, 30 MFIs	75,000.00
8. Administrative overhead (10%)	741,000.00
TOTAL	P8,149,500.00

Annex Table 1. Results of the SPI Internal Review by 14 Senior Staff of ASHI.

Dimension	Category	R E S P O N D E N T S, N = 17																		
		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	Ave.	
OUTREACH TO THE POOR	Mission of MFI	6	5	5	7	4	7	6	5	6	7	6	6	6	6	6	7	7	5.41	
	Geographic & socio- econ focus	0	10	10	10	8	10	7	7	7	10	7	0	3	8	10	10	10	7.47	
	Targeting	1	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0.94
	Size of transaction	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0.06
	Collateral	0	2	0	2	2	2	0	0	0	0	0	0	0	2	2	2	2	0.94	
	Sub-Total	7	17	16	20	16	20	14	13	14	18	14	7	10	17	19	20	20	15.41	
ADAPTATION OF PRODUCTS & SERVICES	Range of services	11	9	11	9	11	11	11	11	11	11	11	11	9	9	11	11	11	10.53	
	Quality of services	8	7	8	7	6	10	9	9	9	7	9	2	7	8	9	10	10	7.53	
	Non-financial services	4	3	4	4	1	4	4	4	4	4	4	0	1	2	4	4	4	3.23	
	Sub-total	23	19	23	20	18	25	24	24	24	22	24	13	17	19	24	25	25	21.71	
IMPROVING SOCIAL & POLITICAL CAPITAL OF CLIENTS	Transparency	4	3	2	4	4	4	4	4	4	4	4	2	3	4	4	4	4	3.65	
	Clients representatives	10	10	9	11	11	11	8	8	8	11	10	7	6	11	9	11	11	9.53	
	Empowerment	6	3	5	6	5	7	10	10	7	10	10	4	5	8	4	6	7	6.65	
	Sub-total	20	16	16	21	20	22	22	22	19	25	24	13	14	23	17	21	22	20.41	
SOCIAL RESPONSIBILITY OF MFI	Human resources policy	4	1	0	4	4	6	6	7	7	6	7	0	3	5	6	4	6	4.47	
	Social responsibility towards clients	2	7	5	5	3	6	5	6	6	7	6	4	5	4	6	5	6	5.18	
	Social responsibility towards local community	5	3	2	2	2	8	5	5	5	9	5	3	4	6	3	4	8	4.65	
	Sub-Total	11	11	7	11	9	22	16	18	18	22	18	7	12	15	15	13	20	14.41	
GRAND TOTAL	61	63	62	72	63	89	76	77	75	87	80	40	53	74	75	79	87	71.35		

Annex Table 2. REVISED SPI QUESTIONNAIRE

Dimension 1: Outreach to the Poor and the Excluded		
Mission of the MFI : 7 points	Score	Comments
1.1. How would you rate the following possible objectives for the MFI (0= minor objective, 1=important objective):		
a) Outreach to the poor / excluded . If answer is 1, please specify strategy to achieve this objective		
b) Financial sustainability. If answer is 1, please specify strategy to achieve this objective.		
c) Positive impact on income of clients. If answer is 1, please specify strategy to achieve this objective		
d) Positive impact on entrepreneurial capability of clients. If answer is 1, please specify strategy to achieve this objective		
e) Positive impact on education and social status of clients and their family members. If answer is 1, please specify strategy to achieve this objective		
1.2. How does the MFI management make sure it fulfils its social mission? (0= nothing is done; 1 = it is written in the administrative rule/ MFI brochure; 2 = it is written in the MFI statutes, or regularly checked by external audits)		
Geographic and socio-economic focus of targeting client group: 10 points		
1.3. Percentage distribution of loans to the following target client groups: (0 = the MFI does not lend to this group; 1 = less than 30% of loans; 2 = more than 30% of loans		
a) Women		
b) 'Poor' rural areas, i.e. the area's socio-economic development is below the national average		
c) 'Poor' urban areas, i.e. the area's socio-economic development is below the national average		
d) Workers with unsecured status (no assets and daily employment is uncertain e.g. casual laborers, landless tenants, etc.)		
e) Illiterate individuals		
Targeting : 1 point		
14. Does the MFI use any targeting device for improving the depth of its poverty outreach: (no=0 ; yes=1)		
- If the MFI uses targeting, what is its targeting device? (e.g.housing index, family size, family incomes & expenses, etc)		
Size of transaction: 5 points		
Over the last 12 months, what is the MFI's average loan size: _____ . What is the country's GDP per capita: _____ . Percentage of average loan size to GDP per capita: _____		
15. Compared to GDP per capita, what is the distribution of the MFI's loans in terms of size: (0 = the size of all loans are greater than the GDP per capita; 1 = more than 30% of the loans are smaller than the GDP per capita; 2 = more than 30% of the loans are less than half (50%) of GDP per capita).		

Over the last 12 months, what is the average savings size: _____ . Percentage of average savings size to GDP per capita		
16. Compared to GDP per capita, what is the distribution of the MFI's deposits in terms of size: (0 = the size of all deposits are greater than the GDP per capita; 1 = more than 30% of the deposits are smaller than the GDP per capita; 2 = more than 30% of the loans are less than half (50%) of GDP per capita).		
Over the last 12 months, what is the minimum size of savings account: _____		
17. What proportion of the minimum size of savings account to GDP per capita: (0=more than 1 percent of GDP per capita; 1= less or equal to 1 percent of GDP per capita)?		
Collateral : 2 points		
18. What proportion of the MFI loans are secured by "social" collateral (i.e. solidarity among groups, recommendation by trusted third party, physical guarantees which have very low commercial value but are important for the borrowers)? (0 = the MFI does not accept "social" collateral, only tangible collateral (e.g. real estate, movable assets); 1= loans with "social collateral" are less than 30 % of all loans; 2= loans with "social collateral" are more than 30% of the loans)		
Dimension 2: Adaptation of the services and products to the target clients (25 points)		
Range of services: 11 points		
21. How many different types of loan products does the MFI provide ? (0=only one; 1=2 or 3; 2=more than 3)		
22. Does the MFI provide Group Fund Loan (consumption /emergency purposes)? (0=no; 1=yes)		
23. Does the MFI provide loans from 0 to 6 months? (0=no; 1=yes)		
24. Does the MFI provide loans from 6 to 12 months? (0=no; 1=yes)		
25. Does the MFI provide loans above 12 months? (0=no; 1=yes)		
26. How many different types of savings products does the MFI provide? (0=no savings products; 1= 1or 2; 2= more than 2)		
27. How many insurance products does the MFI provide (except death insurance for loans, see Item 48 below) ? (0=none; 1= 1 or more products)		
28. Flexibility of repayment (0= only one program fixed by the MFI, 1=the programme proposes different formula; 2=the schedule is decided with the clients when receiving the loan)		
Quality of services (10 points)		
29. Decentralisation: In rural environment, what is the maximum distance clients travel to receive a loan or make a deposit (0= more than 10 km; 1 = less than 10 km)		
210. In urban environment, are credit agents going out of their institution to meet their clients? (0=no, 1=yes)		
211. What is the frequency of the meetings when the allocation of loans are decided? (0=less than once a month or once a month, 1=more than once a month)		
212. Has the MFI ever conducted market surveys to improve the quality of services to the clients? (0=never; 1=sometimes on irregular basis; 2= regularly, planned in the strategy of the MFI)		
213. Participation: Has the MFI ever used tools (such as meetings, surveys or focus groups discussions) to involve its		

clients in the design of the services provided ? (no=0, for the early stages of the MFI=1, regularly, i.e. at least once a year =2)		
- What were the tools used?		
214. Percentage of drop-out clients over the last 12 months (or last financial year) 0=more than 30%; 1=10-30%; 2=less than 10%		
- Percentage of drop-outs to the average number of clients over the last 12 months/financial year		
215. Has the MFI ever conducted surveys on clients drop-outs? (0=never; 1= done at least once)		
Non-financial services accessible to the clients (4 points)		
Does the MFI insure that the clients can have access to the following non financial services (within the same organization or thanks to formal partnership and cooperation with other local organization):		
216. Non financial services related to financial management: business training, management of family budget, etc. (no=0, for some clients (or for all but on a compulsory basis)=1; for all clients of a voluntary basis=2)		
217. Non financial services related to social needs: literacy training, health services, access to social workers, etc. (no=0, for some clients (or for all but on a compulsory basis)=1; for all clients of a voluntary basis=2)		
Dimension 3: Improving social and political capital of clients (25 points)		
Transparency: 4 points		
31. Does the loan statement differentiate between the amount of the principal and the amount of the interests to be paid in order to give clear information to the borrowers and to provide also the effective interest rate? (no=0, yes=1)		
32. Do clients receive written statements on each of their loan transactions? (no=0, yes=1)		
33. Do clients receive written statements on each of their savings transactions? (no=0, yes=1)		
34. Do clients have access to the MFI's accounts? (no=0, yes=1)		
- How do clients access the MFI accounts?		
Clients representatives: 11 points		
35a. Do the clients elect representatives to a consultative body set up by the MFI? (no=), yes =1):		
35b. Do the clients elect representatives to the decisionmaking body of the MFI? (no=0, yes =1)		
35c. Do the clients elect representatives to a control body (e.g. Credit Committee, Audit Committee) set up by the MFI? (no=0, yes=1)		
36. Have these bodies already influenced some decisions or provoked changes? (0=no; 1=yes). If answer is 1, specify the changes		
37. How often do these bodies meet staff managers? (0=never; 1=once a year; 2= regularly and as often as required by the representatives)		
38. Is there a system of rotation of the elected members ? (no=0, yes=1)		
39. Is there a system of training of representatives / elected members (no=0; yes, on an irregular basis=1; yes, on a regular basis, planned in the strategy and related to the rotation of representatives=2)		

310. What is the percentage of women among client representatives (compared to % of women among all clients) (0=no women representative; 1= 1 to 50% ; 2= over 50%)		
Empowerment : 10 points		
311. Does the MFI provide training for the enhancement of clients' business knowledge & skills? (no =0; yes on a irregular basis = 1; yes on a regular basis/ planned in the strategy = 2. If answer is 1 or 2, What type of business knowledge and skills are being enhanced by the MFI's training program?)		
312. Does the MFI undertake personality development programs to enhance the clients' skills for inter- personal relationships? (no =0; yes on a irregular basis = 1, yes on a regular basis/ planned in the strategy =2. If answer is 1 or 2, give at least one example of such program.		
313. Does the MFI undertake programs that seek to enhance harmony and cohesion in family relationships? (no =0, yes on a irregular basis = 1, yes on a regular basis/ planned in the strategy =2). If answer is 1 or 2, give at least one example of such program.		
314. Have the MFI's operations seek to strengthen the social cohesion of the local community it is serving? (no=0; indirect, minor objective=1; direct, major objective=2). If score 1 or 2, describe		
315. How does the MFI rank its power to influence the decisions concerning the public policy of the local government? (no influence = 0, positive influence = 1)		
316. How does the MFI rank its power to influence the decisions concerning the public policy of the national government? (no influence = 0, positive influence =1)		
Dimension 4: Social Responsibility of the institution (25 points)		
41. How do you compare the point-of-entry annual income (including bonuses) for loan officer to the point-of- entry annual income of a school teacher in the same community? (0=much lower; 1= about the same; 2= higher)		
42. How much budget is allocated by the MFI for training of employees (as a % of budget per year)? (0=less than1%; 1= between 1 and "10" %; 2 = more than "10" %)		
43. Can the employees participate in the decision making? (no=0, through dialogue or consultation between staff and direction=1, through a consultative elected body or through participation in the governance =2)		
44. Does the MFI provide some type of health coverage for the employees ?(no=0; yes, MFI pays up to 50% of medical expenses = 1; yes, MFI pays over 50% of medical expenses =2)		
45. How many employees have left the MFI during the last 12 months, as a percentage of the average number of employees? (0= more than 5%; 1= 5% or less)		
Social responsibility towards the clients: 7 points		
46. Did the MFI ever conduct socio-economic studies to assess the situation of the clients? (0=never and not planned; 1= once done, & planned in near future (within one year); 2= regularly being done, part of strategy)		
47. Has the MFI ever had to change its products and services due to negative impact on social cohesion or welfare of its clients ? (0= No; 1= yes). If answer is 1, describe the change(s)		
48. Does the MFI provide some type of insurance that liberates the family from the burden of debt in case of death of		

the borrower? (0=no; 1= 1 insurance product; 2 = more than 1 insurance product)		
49. Does the MFI adopt special measures in case of collective disaster? (0=no; 1= yes, but thorough investigation is required before response is taken; 2= yes, immediate response is taken) Which measures?		
Social responsibility towards the local community: 9 points		
410. Respect to local culture: Does the MFI harmonize its actions with local culture and values (studies, discussions among the community or with local authorities, etc.)? (0= no specific action, 1= information is collected at the beginning only, 2= information is collected regularly). Which kind of information?		
411. Does the MFI work with local loan officers who can speak the local language and know the local culture (no=0; MFI ensures that some of the loan officers know the local culture and language=1)		
412. Community investment: How often has the MFI assisted the local community through financial support (grants or loans) for community projects (school, hospital, church, mosque, etc.): 0= never; 1= at least once every 3 or 4 years. If score is 1, describe investments:		
413. Has the MFI ever had to change its products and services due to negative impact on social cohesion or welfare of the community ? (0=No; 1 = Yes). If answer is 1, describe the changes made.		
414. What proportion of the MFI clients participate in "Clean and Green" programs? (0 = None; 1 = not more than 20%; 2= more than 20%). If answer is 1 or 2, give an example of a "Clean and Green" program in which the MFI clients have participated.		
415. Does the MFI promote environmental conservation among the community members? (0 =no, 1 = yes)		
416. Does the MFI promote the job creation through the projects it finances? (0=no, 1= yes)		

