

Dear friends,

This New Year may mark a turning point for the reinforcement of social performance in microfinance. As CGAP demonstrated, investment from commercial funds is rising dramatically, and extends beyond the main leader MFIs. This trend is certainly driven by profitability seeking, but its determinants are also risk mitigation and an increasing demand for socially oriented investment. Indeed, there is a strong tendency among the clients to require their assets to be dedicated to diversified investments with positive social impact.

On the other hand, MFIs at individual or network levels, are innovating to build mechanisms for more and better information on social performance, as well as for improvement of practices in favour of social impact. Let 2008 be the year when both movements meet, opening new opportunities for partnerships to reinforce ethical investment and socially responsible microfinance!

Latin America and the Caribbean

In the framework of [ForoLacFr](#), eight work plans for the national networks have been defined during the Oaxaca workshops (April 9-13th), where ProsperA was officially launched. According to these strategies, dozens of SPI evaluations and governance assessments took place, and workshops were organized in el Salvador (Oct. 1st), Haiti (Nov. 5-8th) and Panama (Nov. 6-7th).

It is important to mention that several national networks, as RFR in Ecuador or FINRURAL in Bolivia, are currently moving toward the integration of social performance indicators into their auto regulation systems. Moreover, ForoLacFr has improved communication about social performance among its members, with the creation of a [dedicated website](#).

Asia

New perspectives emerged in Asia in the aftermath of the [Asian Forum](#) (Manila Oct. 17-20th). This event gathered key initiatives on solidarity economy from the whole continent. Regarding Microfinance sector, Microfinance actors decided to launch ProsperA Asia, as a regional network aimed to organize common actions to promote social performance.

A first training workshop on SPI and governance has been organized with networks from Philippines, India, Cambodia and China. Next steps were planned, in order to widen the participation within ProsperA Asia, to pilot the implementation of tools and to share members' experiences.

Africa

The Microfinance African Institutions Network (MAIN) organized a training workshop in Bujumbura (June 4-8th) on Social Performance Assessment (SPI tool) and governance analysis.

South African networks held a seminar (Pretoria Oct. 1-3rd) to design monitoring systems for social, institutional and financial performance. MAIN executive director presented the stakes of social performance measurement and outlined key elements from SPI methodology.

The issue of social performance measurement has also been challenged during the bi-annual conference of the Africa Microfinance Network (AFMIN) in Brazzaville (Dec. 5-7th), that gathers professional associations from 21 countries.

Consortium Alafia, started an innovative effort with CARE toward the integration of social performance indicators (based on the input of the SPI tool and CERISE) within the management information systems of the main Beninese MFIs.

Several SPI evaluations have also been implemented in Mali, Cameroon, Guinea, Benin, Niger, Ethiopia, Madagascar, etc.

Europe

The European Microfinance Week (Luxembourg, Nov. 27-29th) gathered numerous investors, policy makers, NGOs, researchers, etc. Social performance has been tackled as a prominent issue, pushed by several ProsperA members (CERISE, TRIAS, SIDI, AQUADEV, etc.). The [European Microfinance Platform](#) (eMFP) is clearly emerging as a major instrument for mainstreaming social performance by providing a better coordination between European actors, in particular investors.

An international seminar on financing of agriculture (Paris Dec. 4-6th), has been organized by [FARM foundation](#), with the collaboration of CERISE and several partners. Debates revealed that a major challenge was the building of innovative alliances between stakeholders (private and public sectors, producer organizations, etc.) to ensure sustainable solutions. To go further, [CERISE](#) and FARM are developing an operational guidebook for building partnerships between MFIs and farmer organizations.

On the methodological field, CERISE has applied the SPI tool with [ADIE](#) and analysed the profile of the clients based on scores of exclusion. This shows how Social Performance Assessment can be usefully adapted to microfinance in Northern countries.

Coming soon: a new version of SPI !

A new version of SPI tool is currently being prepared and will soon be shared among ProsperA members for discussion. After two years of implementation, modifications aim to take in account user feedbacks and suggestions and to ensure a perfect compatibility with Mix indicators on social performance that are being tested with SPTF.

Toward Social Performance Indicators within Mix reporting

In 2005, the [Social Performance Task Force](#) (SPTF) was created to better coordinate the different initiatives on this issue. The SPTF promotes more transparency in social performance (shared definition, common framework for reporting, etc.). Today, SPTF undertakes to select a set of indicators for [Mix Market](#) reporting. This effort is now leading to a phase of pilot testing. As a main actor within the SPTF, ProsperA committed itself to support the application of the core indicators with seven members, from Latin America, Africa, Asia and Europe. This work has already started in Albania with ASC Union since last November, and should begin with other partners in January. Results and analysis will be shared during the next SPTF meeting.

What is ProsperA?

ProsperA is an operational network of microfinance actors, based on the experience and the initiatives of its members, that aims to promote culture and practices of social performance via the capacity-building of the MFIs and the local networks.

ProsperA undertakes to promote social performance by defending a multiplicity of objectives: targeting of the poor and the excluded; improving of services to meet the needs of the target groups; generating benefits for the clients, especially in terms of social capital; and promoting social responsibility toward workers, clients, the community and the environment.

ProsperA coordinates exchanges and joint action on the basis of the SPI tool and the initiatives of its members, particularly with respect to governance, impact and social performance assessment.

ProsperA members (dec. 07)

Networks

FORO LAC FR, Latin America ; Alpimed, El Salvador ; FINRURAL, Bolivia ; RFR, Ecuador; Colmena Milenaria, AMUCSS, Mexico; KNFP, Haiti ; CIF, Burkina-Faso; Consortium Alafia, Benin; APIFM Madagascar; CERISE, PAMIGA, France.

MFIs

Crecer, Promujer, Bolivia ; Finca, Peru; Pilarh, Honduras; Sefia, Mexico ; REFI-COM-CDRO, Fafides, Guatemala; ASC Union, Albania ; ASHI, VEDCOR, Philippines ; CCSF, Cambodia ; CRG Guinea ; INMAA, Morocco

Support Organisations

CSR-SME, Philippines, FIDEV, Madagascar ; AQUADEV, TRIAS, Belgium; CIDR, CIRAD, Entrepreneur du monde, IRAM, IRC, GRET, SIDI, France

Partners donors

Swiss cooperation (SDC), IFAD, Argidius, FPH, etc.

Other networks and MFIs, from Asia particularly, have given their agreement on principle to join ProsperA soon.

Recent documents

SPI Discussion papers (available on CERISE website)

DPN⁰¹: [Stakes of measuring social performance](#)

DPN⁰²: [Social strategy and impact: improving impact analysis](#)

DPN⁰³: [A proposal for joint evaluation of social and financial performance](#)

Publications on Social Performance Assessment

ACCION: [Insight No. 24 - Guidelines to Evaluate Social Performance](#)

CGAP: [Focus note No. 44 - Beyond Good Intention: Measuring the Social Performance of MFIs](#)

ForoLacFr: [Boletín de desempeño social \(No. 1 & 2\)](#)

SEEP Network: [Social Performance Progress Briefs \(No. 1 to 4\)](#)

USAID: [MicroLinks No 43 - Note from the Field: Improving Microfinance governance](#)

Links

ACCION: www.accion.org

ADIE: www.adie.org

Asian Forum: www.asianforum2007.net

CERISE: www.cerise-microfinance.org

CGAP: www.cgap.org

eMFP: www.microfinance-platform.eu

FARM Foundation: www.fondation-farm.org

ForoLacFr: www.forolacfr.org

Mix Market: www.mixmarket.org

SEEP Network: www.seepnetwork.org

SPTF: www.microfinancegateway.org/resource_centers/socialperformance

For more information, please contact ProsperA steering committee

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