

**Advancing Social Performance Management in the Region of
Central and Eastern Europe and the New Independent States
(January 2006 – May/July 2008)**

Working Group Meeting, Budapest, June 6 2006

Minutes

Background

One day Social Performance Management Working Group meeting was held on June 6th 2006 in Budapest, Hungary. The meeting was prepared by Microfinance Centre (MFC) for Central and Eastern Europe and the New Independent States and facilitated by Katarzyna Pawlak, Dorota Szubert and Volodymyr Tounitsky.

The meeting was attended by 23 participants (detailed list is presented below). All of the institutions present (except two Integra Foundation and Kazakhstan Loan Fund) participated in the Social Performance Management training organized by MFC in January 2006 in Warsaw.

#	Organization	Country	Name	Surname	Job title
1	AREGAK	Armenia	Mariam	Yesayan	Director
2	AREGAK	Armenia	Artur	Mesropyan	Head of Administration and Support Systems
3	World Vision AzerCredit LLC	Azerbaijan	Samir	Jafarli	Credit Manager/Acting Director
4	Azerbaijan Micro-finance Association	Azerbaijan	Jhale	Hajiyeva	Coordinator
5	Azerbaijan Micro-finance Association	Azerbaijan	Maryam	Haji-Ismayilova	--
6	Partner Microcredit Organization	Bosnia and Herzegovina	Selma	Jahic	Marketing Director
7	Partner Microcredit Organization	Bosnia and Herzegovina	Adisa	Mujkic	IS Manager
8	Partner Microcredit Organization	Bosnia and Herzegovina	Senad	Sinanovic	Executive Director
9	Women for Women International	Bosnia and Herzegovina	Seida	Saric	Director
10	Women for Women International	Bosnia and Herzegovina	Dzenita	Kicic	Operations Manager
11	MikroPlus	Croatia	Marijo	Ćaćić	Field Coordination officer
12	MikroPlus	Croatia	Sanja	Slunjski-Kohn	CEO
13	VF Credo Foundation	Georgia	Zaal	Pirtskhelava	Operations Manager
14	Kazakhstan Loan Fund	Kazakhstan	Karlygash	Raikhanova	Investments Manager
15	Association of Microfinance Insitutions of Kosovo	Kosovo	Blerta	Qerimi	Coordinator
16	Agency for Finance	Kosovo	Vahdet	Anadolli	Director
17	Agency for Finance	Kosovo	Xhevdet	Spahija	Credit Manager
18	Kosovo Enterprise Program	Kosovo	Menduh	Lluka	Regional Operations Officer
19	Kosovo Enterprise Program	Kosovo	Silvana	Domi	Senior Branch Operations Manager
20	Kosovo Enterprise Program	Kosovo	Maria Concepcion	Guatno Hina – Antonio	Business Development Manager/Senior Consultant
21	Micro Development Fund	Serbia and Montenegro	Milena	Gojkovic	Director
22	AgroInvest	Serbia and Montenegro	Dragana	Djuric	Executive Officer
23	Integra	Slovakia	Allan	Bussard	Director

The meeting was joined by two observers: Anton Simanowitz (ImpAct) and Ben Nijkamp (ICCO).

The meeting agenda was as follows:

Table #2: SPM Working Group Meeting Agenda	
Time	Activity
9:00 – 10:30	Introduction
10:30 – 10:45	Coffee break
10:45 – 12:45	Experience fair
12:45 – 13:45	Lunch break
13:45 – 15:00	Experience sharing in groups
15:00 – 15:15	Coffee break
15:15 – 17:15	Next steps in the Project and Funding Opportunities
17:15 – 17:30	Closure

This report presents the outputs from discussions conducted during the meeting.

Experience Fair

Participants were asked to work in the institutional groups to present flipcharts on their experience in the SPM project. Each was asked to highlight their rationale for starting the SPM project, list key actions that have been undertaken to integrate SPM into an MFI operations, and identify key achievements since the SPM Training held in January 2006. After preparations participants presented their experience in the plenary.

Partner (Bosnia and Herzegovina):

1) Rationale for the project:

- Be able to better follow the mission and prove its fulfillment to different stakeholders (is the mission is focused on helping women gain easier access to financial services and adjust these services to women's needs thus helping them increase the living standards)
- Create systems for managing the mission and in particular, better target and increase outreach to the target group
- Improve the impact and reduce exit rate
- Gain a position as an important actor in the community development and build brand around responsibility and social performance

2) Key actions:

- Assigned leaders of SPM team
- Translated mission into SP goals and objectives
- Presented SP to key stakeholders (board, management and all staff = 150 people in total)
- Composed SPM team (multifunctional composition)

3) Achievements:

- Buy-in of the board, management and staff created
- Mission translated into goals and measurable objectives

MDF (Serbia)

1) Rationale for the project:

- The mission containing strong social elements as a starting point. After the donors withdrew, MDF found it possible to reassess their focus and put more stress on becoming more client-oriented in order to bring about change in the social aspects of their clients' lives. MDF wanted to create a simple system / adjust their current system to learn whether the goals/objectives are reached, track progress against them, analyze the progress, and, possibly, change operations to improve on an on-going basis

2) Key actions:

- Analysis of current system was performed

- MDF has lots of data captured both in MIS and other forms, but it was important to review those and decide what they need to change (in terms of reporting, analyzing and use) or add
- Improved system of information collection was introduced
- Identified the need for changes in the information system so that it includes exit and poverty information
- Based on above, the next step will be to finalize required changes to MIS
- Identified/defined poverty lines to better determine the client poverty status
 - Now the issue is which benchmark to use (national or international poverty line)
- Introduced changes in the exit forms to get feedback from leaving clients
- Finalized SP workbook – a detailed framework for SPM implementation
- Developed action plan
 - Identified actions
 - Assigned roles in the SP efforts
- Communication with staff
 - Internal training and presentation of the SPM concept and process to the staff

3) Achievements:

- Staff awareness built and buy-in increased
- Information system improved (now everyone understands the purpose of data collection and has the same approach)
 - Developed documentation on required IT adjustments
 - Information collection system was improved
 - Quality of information analyzed (it is very important that everybody understands the methodology of information collection and inputting in the same way; e.g. loan officers used to have different approaches to calculations of clients household income)

Mikroplus (Croatia)

1) Rationale for the project:

- Learn about impact on target clients

2) Key actions:

- Designed system for measuring impact (data is entered into the data base)

3) Next steps:

- Finalize the system
- Develop tools for data analysis
- Adjust loan products to generate the improved impact on clients

Zene za zene (Bosnia and Herzegovina)

1) Rationale for the project:

- Eagerness to fulfill the mission
- Have ways to measure impact/change that happens to their clients

2) Key actions:

- Informed board and staff about SPM
- Modified business plan to include the work on SPM development
- Conducted communication with the staff on SPM
- Created a team to work on SPM development
- Designed action plan for SPM by the Team

3) Achievements:

- Current information system revised (a lot of information is available in the institution, but still some additional information is needed)

- Analyzed what is/is not available already in the institution
- Analyzed the capacity of MIS and ways to adapt it
- Reviewed criteria for obtaining credible information
- Identified new forms of information collection
- Provided training on information collection to loan officers so that they are able to provide the new information

Kazakhstan Loan Fund (Kazakhstan)¹

1) Rationale for the project:

- KLF is in the process of transformation to become a bank – it is not considered an end in itself, they want to become a bank for their current clients to provide them with services they need more effectively, they don't want to be just “another bank in the town” but stay with their target niche and serve them well. The SPM system will help them to stay on track towards fulfillment of their mission, position themselves in the new environment and provide a competitive advantage in their traditional market niche.

2) Key actions:

- Conducted research project on Poverty Assessment Tools thanks to which profile of target clients and their needs is better understood, portfolio could be segmented according to the poverty level of clients, their movement between poverty levels could be monitored
- Joined SPM working group
- Underwent SPM training

3) Next steps:

- Develop an action plan
- Build staff buy-in towards SPM

Agency for Finance (Kosovo)

1) Rationale for the project:

- As they have been growing, the social element has got lost in their operations (the main focus has been put on financial performance)
- Fulfill the mission more effectively
- Better reach the target clients

2) Key actions:

- Built awareness about SPM among board of directors and the staff (the SPM concept was explained during the strategic planning meeting and the board recognized that this will be good for both institution and the clients, gave the green light to continue with the activities)
- Conducted market research on outreach to underserved areas
- Composed SPM team

3) Achievements/next steps:

- SPM promoted among peer institutions in Kosovo (in cooperation with KEP and Association of Microfinance Institutions Kosovo)
- Still need to develop tools supportive to measuring their social goals (exit and poverty monitoring) and integrating them with the MIS
- In process of developing products better adjusted to the clients' needs
- Searching for Technical Assistance

¹ The institution has joined the SPM Working Group recently and they did not undergo SPM training in Warsaw in January 2006 (it was provided to the institution in-house in the second half of May 2006).

Aregak (Armenia)

1) Rationale for the project:

- Started in 1996 as a project by a humanitarian NGO with social mission but over time their social mission has been lost in the pursuit of financial performance and it is only now when they have come back to it
- While they have just become a commercial organization they want to stay committed to their roots and thus want SPM to help them balance social and financial aspects of their mission

2) Key actions:

- SPM workbook finalized – during the training in January, their mission was unclear and it was very difficult to develop social goals and objectives based on it. So they revised it and finalized the workbook based on the reformulated mission.
- SPM workbook was communicated to the staff
- Clarified information needs and their implications for the MIS system. Current capacities of the MIS were found not satisfactory and the decision has been made to invest in a new MIS.

3) Achievements:

- Finalized workbook – this is the base for all the actions to follow
- Commitment from the staff and board towards SPM
- Commitment to regional efforts to promote SPM (participation in the working group)

AgroInvest (Serbia and Montenegro)

1) Rationale for the project:

- WV requires regular (annual) reporting on SP
- Better use of the data that is being currently collected in the institution to improve operations and products, client retention from the point of view of the mission fulfillment

2) Key actions:

- Set up the team (cross-level and multifunctional: a loan officer, a branch manager, a financial person, an MIS person, etc)
- Visited other MFI to get staff trained, get them understand and buy-in to the SPM idea
- Worked on the technical side of SPM
 - o Mission, vision, core values reviewed, analyzed from the viewpoint of SPM
 - o Poverty baseline is being developed – in place by the end of September 2006
 - o Client poverty levels set based on income levels per family member using historical data
 - o Targets for change in clients set
 - o SPM information reporting mechanisms and channels set

3) Achievements:

- Composed the team (consisting of both executive and “technical” staff)
- Built buy-in of the team and other staff
- Completed tours to other MFIs to build buy-in of the staff toward the process
- Identified five groups of different poverty levels which will be helpful in tracking SP outreach objectives
- Reporting system on outreach and change indicators identified, but AgroInvest still needs to identify indicators measuring change

KEP (Kosovo)

1) Rationale for the project:

- So far KEP has been focused on financial performance. Now they want to bring SP side to it as well.
- Commitment and pressure to reach marginalized groups (rural populations, women, minorities) both from the institution and stakeholders

2) Key actions and achievements:

- Feedback report presented to the management after the SPM training in Warsaw
- KEP mission revisited
- Clarified SP goals and objectives

Reviewed the ways in which SP can be better measured and strengthened, looked at the appropriateness of services, strategies and systems to achieve social performance objectives. Available data assessed and reviewed from the perspective of Social Performance (the sophisticated MIS in place found as an opportunity and strength, available data was found to be quite comprehensive but more of a quantitative nature; while the quantitative data can serve as baseline and can help pin point certain problems taking place, there is a need for getting information providing understanding to these quantitative information using other methods)

- 3) Achievements:
 - SPM workbook revised
 - Workbook presented to the management and board for commitment and buy-in to the process
 - Participation in the country promotion of SPM (in cooperation with Agency for Finance and Association of Microfinance Institutions Kosovo)

Credo (Georgia)

1) Rationale for the project:

- Increase satisfaction of stakeholders (clients and donors)

2) Key actions:

- presentation of the concept to the staff
- Undertook focus group discussions and exit surveys
- Included client income information on the application form
- Identified changes required to the MIS system
- Strategizing about opening the branch in new area to better reach target clients (poor area)

3) Next steps

- communication system for the purpose of SPM developed
- information system revisited (application forms, exit forms)
- new branch opened to serve poor area of Georgia

4) Achievements:

- Automatization of information system
- Introduced segmentation by loan officer/branch performance in MIS

AzerCredit (Azerbaijan)

1) Rationale for the project:

- They want to stay aligned with the mission of the organization as well as their network partner - WVI
- Promote SPM to stakeholders – stay transparent about its SP
- Attract funding

2) Key actions:

- SPM presented to the management
- Existing systems reviewed and are in the process of adjustments.
- Action plan developed to include exit survey information, additional questions on the applications form.

3) Achievements:

- Commitment of the staff towards SPM (this has been considered as very important since SPM requires changes in different organizational processes and hence will effect the way

everybody in the organization works;staff across the organization needs to understand the concept, its benefits and what it takes to integrate it into every day operations)

Experience Sharing in Groups

Participants were divided into three groups. Each group was working on one area only:

1. Setting SPM goals and objectives
2. Building and maintaining staff buy-in
3. Reviewing the current information systems for the purpose of SPM

Groups were asked to identify some tips for others how to address respective issue efficiently:

- What are the key steps and issues that need to be considered?
- How to do it? What are practical tips to do it well?
- Key challenges/red flags/how to go about them?

Groups should document their lessons learnt on flipcharts and share them in the plenary.

Setting SP goals and objectives and strategy

Key steps / Issues	Tips – how to	Red Flags - challenges
<ul style="list-style-type: none"> - Understanding and translating mission into social goals - Setting up SMART objectives - Setting up measurable indicators for each objective 	<ul style="list-style-type: none"> - ‘Realistic mission’ (the mission that is understood by all) - Adjusting the mission to country specific context (and understanding this context) - Setting up internal criteria for vocabulary (i.e. how people understand poor people) - Define poverty lines - Use macroeconomic indicators on country level - Start on info you have and continue to build on what you have 	<ul style="list-style-type: none"> - Accuracy of information (data) while defining mission understanding - Organizational culture (previous focus on financial performance only) - Balance social and financial goals (you have to do something that is realistic and will not undermine your position) - Define poverty lines

The key learning points were as follows:

1. Missions are vague and not discussed every day in the institutions thus it is necessary for the staff to make sure they are on the same page with the mission understanding
2. There is a need to be as narrow as possible about the mission and translate it into goals (missions are usually widely defined while for the purpose of SPM strategy there is a need to understand which direction the institution is heading)
 - a. many organizations in SPM group face problem of broadly defined mission statements. Short term solution (instead of changing the mission statement into narrower, clearer and leading one) is to particularly make sure the objectives set are very SMART and precisely defining for the staff what they should be doing/focusing on and what shouldn't be cared at all. The objectives should be verified from the point of view of their value added in leading people not further misleading them.
 - b. many missions have been borrowed from other MFIs, imposed or prepared externally without a consultative process. As result they don't represent intentions of MFIs and are not guiding for the staff and management. SPM gives the time to reflect on what we want to achieve and do, be realistic but kept ourselves accountable for our results vs. set goals by ourselves
3. Missions may lack some elements (i.e. desired change or scope of needs served) thus the decisions cannot be driven only by “wording of the mission”. Additional sources of information

have to be used as well (discussions to the staff were highly evaluated as well as reference to external sources to understand some phenomena i.e. poverty and vulnerability)

4. Importance of interpreting missions with staff was raised. This not only serves the purpose of having consistent understanding of the words used but is a good way to make people understand and feel “WHY” they are doing what they are doing. It gives them the reason for the organization's existence and builds their buy-in according to the saying that “what you cannot understand, you cannot commit to. If you don't commit you cannot perform”. Thus building staff understanding is key to getting them on board and only then we can expect results to happen with additional support of technical issues, changing procedures and setting up systems geared towards better mission fulfillment.
5. Difficulties with defining SMART objectives as they have to marry social and financial side, thus it is necessary to look at social objectives from the point of view of financial performance.
 - a. in setting SMART objectives, it is useful to refer to certain benchmarks for the country or competition, e.g. setting SMART objectives for poverty level of the clients can be informed by reviewing sources about the country poverty situation that can be used for reference points in setting targets.
 - b. the importance of good strategic planning and strategic thinking built into the organization culture has been raised as an important issue to be focused more in the MFIs
 - c. another challenge relates to setting realistic goals and not to over-promise but rather balance being realistic and ambitious and try to over deliver.
6. To avoid distortion of resources and advantages it is good to start from what you have and build on this (i.e. start with the same target group and same services, but focus on increasing outreach)
7. In order to make mission more informative for the purposes of SP goal setting other sources need to be taken into considerations (vision, values, code of ethics) depending on their availability in an organization. Pulling them together provides basis for better formulation of the company's philosophy and creating in-depth understanding of the organizational goals across the whole organization
8. Goals and objectives need to be formulated for the three SP areas – only then they become a solid basis for SPM implementation
 - a. organizations faced problems with different areas but “WHY” – the reason for the organization's existence – the change it wants to bring about – has been the biggest challenge for the majority. This may illustrate the situation that so far we have been focusing on doing things without thinking “what for” we are doing it

Building Staff Buy-in

Key steps / Issues	Tips – how to	Red Flags – challenges
<ul style="list-style-type: none"> - Information Dissemination to raise awareness - Culture of organization - Capacity enhancements - Performance monitoring and evaluation 	<ul style="list-style-type: none"> - Workshops - Regular staff meeting <ul style="list-style-type: none"> o Intra: board, managers, staff, clients o Inter: networks (AMFA, AMIK) o Conference o Annual meeting (semi) - Training on SPM - Exposure of the staff - Incentive systems (categorization scheme) - Awards (recognition) 	<ul style="list-style-type: none"> - A lack of common understanding - Resistance to change - Being skeptic - Change-related risks

The key learning points were as follows:

1. SPM relates to the entire institution thus buy-in towards the process needs to be built on all levels while it should be targeted (managers need to understand the more general concept of SPM while staff needs to be prepared to take on operational activities). Thus, the importance of communication and incentive system (financial and non-financial) needs to be stressed
2. The staff has to feel ownership of the process
3. There has to be an understanding that SPM is not a project, that it is ongoing organic process
4. In intra-organizational communication SPM benefits should be clearly communicated as well as any additional efforts expected from staff
5. The key challenge here relates to common understanding among different level of staff and stakeholders on **a)** what is SPM? **b)** why it is really needed as well as addressing the resistance towards the change its implementation will require. Additionally, this largely depends on the organizational culture – staff openness to new things, staff buy-in into organizational development projects, learning culture. This challenge particularly relates to first step in the process of building staff buy-in – awareness building
6. The key challenge in the second step – capacity enhancement relates to addressing lack of skills that can be addressed by trainings in SPM, exposure visits, providing examples of practical experience with SPM. The training helps to conceptualize how the organization will adopt the solution as well as overcome the fear of the implementation being a very difficult process
7. The key challenge in the third step – monitoring and evaluation – refers to sustaining staff buy-in which can be done by appropriate incentive systems, good MIS that collects minimum necessary information, which use is widely communicated and followed up with qualitative research providing results for results and setting basis for decision making.
8. Awards, recognition of small achievements are very important to keep the momentum and staff motivated
9. Majority of MFIs need to work further on building staff buy-in and change management. In many of them the teams implementing SPM are individual people, there are no incentives in place, staff buy-in is not wide-spread. Without strong ownership, however the systems MFIs design are great, they will not be turned into practice since there will be no people to make it happen. SPM needs to become mantra of everybody in the organization, staff needs to understand and commit to it, management needs to put incentives in place and integrate it into planning and learning activities. This is the main focus for us to be successful in all other efforts

Information Systems

Key steps / Issues	Tips – how to	Red Flags – challenges
<ul style="list-style-type: none"> - Set goals and objectives - Analyze the currently available info in terms of the goals - Determine information gaps (if any) - Adapting the existing MIS - Data monitoring - Data reporting and interpreting 	<ul style="list-style-type: none"> - Ensure the accuracy of collected data - Put information policy in place - Evaluate any additional information to be collected from the viewpoint of practicality - Spend enough time and effort on the analysis of available information and its possible use for the purposes of SPM - A solid MIS is a prerequisite for minimization of effort - Ensure an MIS is capable of providing necessary quantitative data; plan and develop qualitative data collection tools - Changes in the information systems need to be tested with an ensured feed-back from staff (apart from contribution to the quality ensures staff buy-in) 	<ul style="list-style-type: none"> - Staff lacks skills needed for information collection, reporting and analysis; the solution is to train staff - Temptation to collect much more information than is being done currently - Existing information communication channels are not adequate for SPM info - Lack of resources (funds, HR, incentives)

The conclusions were as follows:

1. Clarify the information needs from the point of view of SPM so that it is possible to have cost-effective approach about the information system and not to end up with lots of information that no-one needs (KEP made an example that they have a lot of information available that is not used; there is simply a need to apply social lens and use it efficiently)
 - a. this is very challenging when the objectives are not SMART enough. Spending enough time on clarifying the mission and setting good SMART objectives is key to be successful in identifying real needs for SPM information system
 - b. very often we start with the collection process without thinking who needs the information, how often and FOR WHAT. This leads us to unnecessary additions of new information, new tools, revision of systems that again needs to be revised or are underutilized in the end. We need to start with the definition "WHAT FOR" and be very disciplined in not trying to do everything for everybody as well as add additional burden to our information systems unless it is very well backed up by use analysis.
2. Review what you have from the point of view of SPM and internalize it (example of delinquency information was presented – hardly anyone is using it to see who is excluded from the program)
 - a. example from the training on the IDEA portfolio segmentation can be one that can help an MFI think about different ways they can segment clients. Using the information that MFIs have to present in different format can be everything the institution needs to start management SP
 - b. we are very professional in managing financial performance – have technological support and adequate staffing to do it. We should think about SPM from the same perspective - what skills do we need, people? What information we have and use for

- reporting on financial performance can we used for SPM purposes. We have information but we lack adequate analysis – this should be our focus area.
- c. majority of MFIs in the region have quite sophisticated MIS systems that can address demand for SPM information. However, much information is not used at all or underused. Thus, analysis of current MIS is key to design an effective SPM as well as thinking about ways to leverage existing information through new reporting
 - d. an MFI should start by building on what is currently available in the organization by a) defining info needs b) adjusting current reporting to produce information that can help verify the objectives c) adapting data collection system in the last place
3. The challenges faced may relate to currently available resources (human as well as information sources available) and procedures in place that need to be changed to make the system work efficiently. Again there is a need to overcome resistance to change through effective explanation of system purposes
 4. Importance of standardization of information collection – there is a necessity to discuss with the staff what type of information is needed and gain common understanding how it will be captured
 5. Quality of data is very often an issue due to :
 - a. limited knowledge and understanding of the staff (thus training critical)
 - b. clients not being sincere in providing certain information (again good staff training is key as well as good explanation of the importance to the clients)
 - c. HR issue – staff attitude, motivation, understanding – people are key to success and we need to take more effort to work with our people to get their enthusiasm, leadership and buy-in
 - d. incentives – how to motivate staff financially and non-financially so that they support our SPM efforts?
 - e. policies and procedures need to be in place to support data quality however without proper attitude and behavior of staff however good they are they will not work without staff motivation and buy-in (these are secondary and supportive issues)
 6. It is important to approach SPM from the systemic point of view. SPM is not only about information and data collection, this is about planning, strategy, objectives, information, policies and decision making. All changes to MIS and information system should come last when we are clear about the whole system and use information system to support is implementation. Preparation of staff and putting change management mechanisms are key to the process and should be given priority in launching the implementation as well as managing it.
 7. To make SPM cost-effective, build on what you have, first test your concept on small scale, adapt based on the lessons learnt and then only roll out on wider scale. All the time keep the staff updated!
 8. Very often good analysis what is available vs. what is needed can lead to reduction in data collection so additionally a side effect can be actually cost reduction. This is also a good way to build staff buy in – we have this new SPM system that actually makes us to collect less

Next steps

1. Associations presented their approach to country promotion of SPM. Key learnings:
 - a. It is crucial to involve practitioners to gain greater credibility
 - b. Approach of small steps is necessary (involving different stakeholders in different stages starting from practitioners)
 - c. An approach to SPM dissemination/application should be varied depending on the level of development of different MFIs
2. Institutions in the pair groups of critical friends reviewed their next steps in the project and came to the conclusion that prior to obtaining TA it is necessary:
 - a. To have social goals and objectives finalized
 - b. To have information needs towards SP identified for different stakeholders

- c. To have current information reviewed from the point of view of SP needs; information gaps preliminarily identified
 - d. To have staff buy-in built
3. Participants were equipped with knowledge on Technical Assistance available within the project as well and funding sources. Timeframe for TA proposal submission was communicated

Next steps in institutions

MicroPlus (Croatia)

1. Developing new methods of analyzing data
 - a. MicroPlus have data related to its SPM objectives but it is not analyzed on systematic basis. If not analyzed the use of the information is limited or rather even not possible, thus it proper analysis and reporting format development will be main focus of the organization's next steps in implementing SPM

Agency for Finance (Kosovo)

1. Analyze currently available data e.g. so far the data hasn't been analyzed from the point of view of segmentation by loan cycle, thus KfA didn't know what is going on with their clients as they stay or exit the program
2. Look for TA regarding putting in place impact assessment and scorecard systems
3. further promote and build organizational culture to support SPM through regular staff meetings and workshops

AMFA (Azerbaijan)

1. Fund-raise for further SPM activities around raising awareness and promoting SPM
2. promote SPM to CAMFA networks and board members
3. refresh members memory around SPM
 - a. update on the roundtable of networks outputs
 - b. update on the on-going activities around SPM
4. Conduct simple survey around members' awareness about SPM and deliberate efforts they take to manage SP
5. continue negotiations with Microfinanza rating to acquire their diagnostic analysis incorporating social component to apply it within their membership (promote social rating)
6. sustain membership buy-in into SPM where 100% of membership are ready to implement SPM

AMIK (Kosovo)

1. Increase AMIK advisory role to government re. SPM – run similar workshops as they did to include government representatives
2. Continue with raising awareness through workshops and seminars
3. Build capacity of members
 - a. fund raise for SPM training
 - b. focus on gender and savings related issues to support SPM of MFIs
3. Involve AMIK's board in promoting SPM

AzerCredit (Azerbaijan)

1. Revise social objectives to make them more SMART
2. Analyze more thoroughly the organization's information needs
3. Maintain staff buy-in over the whole process through systematic training, setting a working group and developing a communication plan

CREDO (Georgia)

1. Develop poverty scorecard
2. Get buy-in particularly of loan officers through incentive systems and better communication

Agroinvest (Serbia and Montenegro)

1. Finalize tests on target indicator in June
2. Consolidate data collected over May-June
3. Develop indicators for change and data collection instruments: questionnaire, focus group discussions to provide base line data and understanding behind it
4. Adjust MIS to track and report SPM data
5. Report to board on the SPM system implementation progress and integrate SPM reporting to annual reporting to board
6. Finalize pilot testing and rolling out of the system end September

Aregak (Armenia)

1. Start from what it has – small scale system and build on it as it goes
2. Differentiate different poverty categories within its clientele using simple approach (family income)
3. Then build on it further

MDF**(Serbia)**

Analyze thoroughly the MIS and decide for “must” changes in MIS
 Include more staff in SPM work and put non-financial incentives in place
 Include SPM as part of 2007 business plan

KLF (Kazakhstan)

1. Create the SPM Team
2. Finalize goals and objectives
3. Analyze existing data
4. Finalize the workbook
5. Develop proposal for financing SPM
6. Investigate a role for the association to play in SPM process and involve them in first place. then reach to other MFIs with the SPM concept

KEP (Kosovo)

1. Concretize action-plan for technical group
 - a. what we want to achieve?
 - b. why is SPM important?
2. Include SPM efforts in business plan
3. Review performance on on-going basis
4. Maintain buy-in
 - a. concretize communication plan before adapting SPM
4. Revisit mission and vision
 - a. set goals and objectives through a participatory exercise
 - b. develop institutionalization process
3. Conduct in-depth analysis of what data we need vs. what existing data we have
3. Integrate SPM into credit program processes
4. Include social aspects in current incentive schemes and other systems to be more socially responsive

5. Build awareness on the on-going basis – use July review opportunity
6. Source funds for SPM implementation

Partner (Bosnia and Herzegovina)

1. Clarify indicators of leaving standards (based on the information already available in MFI)
2. Set priority goals and objectives for the team members
3. Train team members
4. Secure necessary funding and TA

Zene za Zene (Bosnia and Herzegovina)

1. Focus more on buy-in activities
2. Work more with staff – involve them more in SPM
3. Adjust information system to support SPM

Annex# 1: Evaluations

Evaluation of

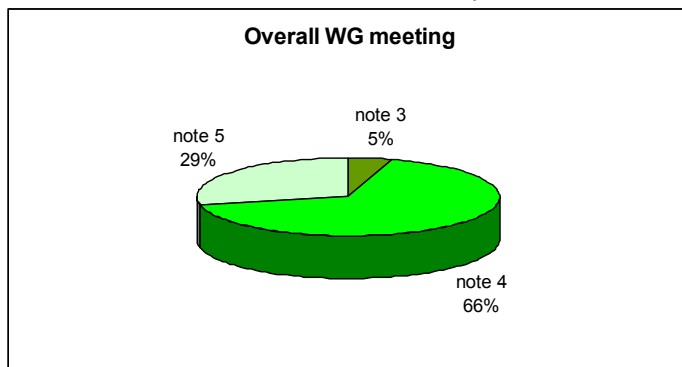
Social Performance Management Working Group Meeting

Budapest, June 6th, 2006

One day Social Performance Management Working Group meeting was held on June 6th 2006 in Budapest, Hungary. There were 23 participants, 22 of whom submitted the evaluation form. The evaluation form consisted of questions related to WG meeting overall evaluation as well as content and organization related issues. The participants were asked to assess each issue with notes from 1 (Poor) to 5 (excellent).

The general participants' feelings about the SPM Working Group meeting were fine and positive. The participants were especially glad to have the chance to exchange the experience in developing their systems within the frames of SPM. Having live contact with people sharing their goals and undertakings was an important factor consolidating their belief in worthiness of SPM.

Participants would like to have even more possibilities to discuss less in plenary during the meeting. The methods of facilitation should be improved to make the meeting more dynamic.



Overall WG meeting evaluation

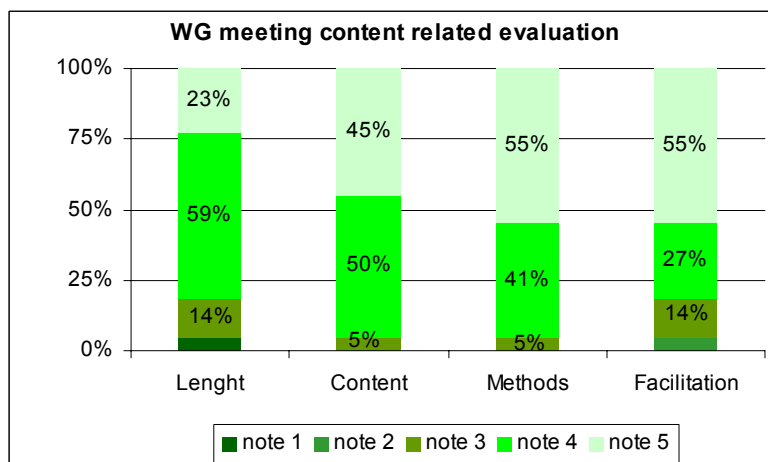
The general overall meeting evaluation was good, reaching on average the note of 4,2.

Participants were satisfied with the meeting and expressed positive comments. They highlighted possibilities of exchanging experience and learning from others and got inspiration for the next steps in their organizations regarding implementing SPM.

WG meeting content evaluation

The very good overall evaluation of the SPM WG meeting was reflected in the more detailed notes concerning specified issues related to the content of meeting.

The methods used during the WG meeting got the highest average note of 4,5. More than a half of participants assessed it as excellent (note 5), and 5% as average (note 3). The evaluation of this area has remained constant since January Training.



The content of the WG meeting received insignificantly lower note of 4,4. The evaluation was not that excellent as during previous meeting, however still majority of the participants assessed it as good or excellent.

The facilitation of the WG meeting was often commented as something worth improving and

gained the note of 4,3 on average. Although more than a half of participants assessed the facilitation as excellent, 20% of them assessed it with a note of 3 (average) or less.

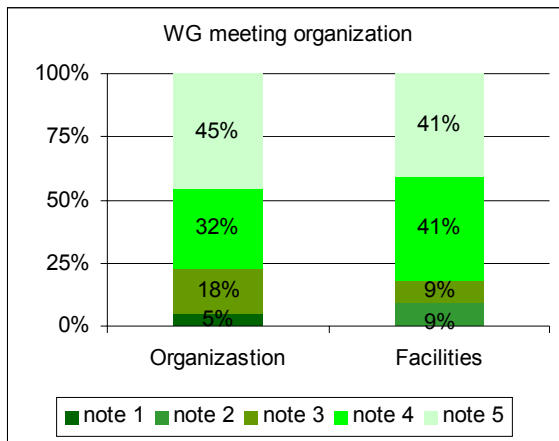
The facilitation of the WG meeting was often commented as something worth improving and gained the note of 4,3 on average. Although more than a half of participants assessed the facilitation as excellent, 20% of them assessed it with a note of 3 (average) or less.

Although the evaluation of the WG meeting length has improved significantly since the January training, it gained on average the lowest note of 4. The smallest share of participants gave the highest note, most were quite reserved, staying with the note 4.

Most participants commenting the length of the course expressed the need to prolong the meeting. According to them, one day meeting was not enough to go deep enough into the other organizations' actions undertaken. There appeared comments, that the one day meeting would be enough if the pace of the discussions would be more dynamic.

Some of the participants came up with their ideas of improving the event. One of the suggestions was to present 10 minute presentation debriefing the institution's work within the SPM done so far. It should initiate on the same time more open discussion. Also more active methods of facilitation and more exercises, bringing more dynamics into the meeting would be welcome.

There was one general comment made, that the institutions' workbook could be requested in the format of power point.



WG meeting organization evaluation

The WG meeting organization was assessed significantly lower than in January. Both organization and facilities gained the average note of 4,1. Almost ¼ of participants evaluated the organization of WG meeting as average (note 3) or less.

The facilities gained slightly higher notes. The main issue commented by participants with regard to it was that the hotel, where the meeting was held, was too far from the main MFC-EMN conference center.