

There are three main tools that rate an MFI's social performance: the Microfinance Institutional Rating, the Social Rating and the Social Performance & Impact Ratings (SPIR).

### **Microfinance Institutional Ratings and Social Ratings**

The three specialized microfinance rating agencies – [M-CRIL](#), [Microfinanza Rating](#) and [MicroRate](#) – provide the Microfinance Institutional Rating and the Social Rating.

**Microfinance Institutional Rating (MIR).** Microfinance Institutional Ratings are conducted by external assessors and provide an opinion on the long-term viability and creditworthiness of an MFI. The evaluation includes analysis of an MFI's "responsible practices," which assess an institution's client protection practices, responsible performance and mission alignment with these goals. The MIR also includes analysis of governance, financial profile, the microfinance environment and operational risks.

For more information on the MIR, including a general comparison of each agencies' rating grades, please see the Rating Guide:

- [In English](#)
- [En Español](#)
- [En Français](#)

**Social Rating.** Social Ratings are conducted by an external organization and provide an objective opinion on an MFI's degree of success in translating its mission into practice. To reach that opinion, raters analyze an MFI's country context, social performance management, client protection, depth of outreach, quality of services and outcomes.

For more information on Social Ratings, including a general comparison of each agencies' rating grades, please see the Social Rating Guide:

- [In English](#)
- [En Español](#)
- [En Français](#)

The audiences for Social Ratings and MIRs are external. The rater does not provide recommendations for improving practice, but reviews documents and assigns a rating based on its findings. One important use for Social Ratings is to verify data that were self-reported to MIX Market. A good rating may also attract interest from investors and donors.

These four rating agencies are also part of the Rating Initiative, a program started by ADA to promote the establishment of a sustainable microfinance rating market. The Initiative's activities have included co-funding ratings for MFIs and educating investors about the different rating products.

### **Social Performance & Impact Rating**

Inclusion [Africa] has designed its Social Performance Rating System (SPRS) to measure the social performance and impact of a microfinance institution (MFI) based on an analysis of the MFI's capacity and ability to oversee, manage and monitor its performance in its drive to achieve its social mission.

The SPRS reviews how effective the organization is at translating its mission into practice and to what extent it has been successful in that effort. It encompasses the organization's objectives, systems, services, human resources and results, as well as its use of performance indicators and other information as it seeks to achieve its objectives.

The results of the SPRS is expressed through a rating called the Social Performance & Impact Rating (SPIR). The SPIR is also meant to give the MFI a value-added tool for identifying and assessing the specific areas in its social performance that need improving, and where it is achieving or surpassing its social objectives.

For more information on the SPRS, please visit Inclusion [Africa]'s website [here](#).