Responsible Inclusive Finance Working Group, Convening #10
Hosted via WebEx
July 24, 2014, 8:30 a.m. – 11 a.m.

Participants

- Frank Ballard, Grameen Foundation
- JD Bergeron, Truelift
- Laurence Bottin, Planet Rating
- Laura Foose, SPTF
- Anne Hastings, Microfinance CEO Working Group
- Katie Hoffmann, SPTF
- Cécile Lapenu, CERISE
- Karin Malmberg, PIIF
- Julie Peachey, Grameen Foundation
- Alex Rizzi, Smart Campaign
- Tony Sheldon, SPTF
- Nadia van de Walle, Smart Campaign

I.   Meeting Overview

The ninth convening of the Responsible Inclusive Finance (RIF) Working Group focused on four main agenda items: (i) reviewing the upcoming conference schedule; (ii) finalizing an outline for the full-day RIF Introductory Training; (iii) discussing joint messaging on sequencing and (iv) reviewing projects and proposals about the future infrastructure of responsible inclusive finance. The RIF Working Group will convene again in September 2014. The recording can be found here:
https://sptf.webex.com/sptf/ldr.php?RCID=9fc253bd6a5c64462d1898e5ad1a5113

II.   Next Steps

The RIF Working Group identified the following action items:
- If they have not already, RIF members will send Katie Hoffmann details of their attendance and panes/workshops at upcoming conferences.
- Each initiative will draft their section of the training and send it to Katie by August 20. The group will review the compiled training materials and finalize them by Sept. 15.

III.   Summary of Dialogue on Agenda Items

i.   RIF Participation at Upcoming Conferences
- The RIF Working Group will be hosting panels and/or full-day introductory trainings at several upcoming conferences. Group members quickly discussed who will be attending each of the conference and whether there will be a RIF session. A summary of the schedule:

Conference	RIF Attendees	RIF Sessions	Related Sessions
Asia Microfinance Forum *(Shanghai, Aug. 4-8)*	▪ Katie Hoffmann	▪ RIF panel (11 a.m. to 12:30 p.m., Aug. 7); *Panelists*: Aban Haq (PMN) and James LeCompte (Good Return)	
Microcredit Summit *(Merida, Sept. 3-5)*	▪ Cara Forster ▪ Isabelle Barres ▪ Anne Hastings	▪ RIF Panel – 90 minutes (date/time not confirmed).	▪ Truelift panel ▪ SPTF Training on USSPM/SPI4 (full-day)
Convergences *(Paris, Sept. 8-10)*			
SEEP *(Arlington, VA, Sept. 22-25)*	▪ Laura Foose ▪ Isabelle Barres ▪ Anne Hastings (tentative)	▪ RIF Introductory Training – Sept. 25, full-day	
Sanabel *(Dubai, Sept. 29-Oct.1)*	▪ Katie Hoffmann ▪ Alex Rizzi	▪ Proposed: RIF Panel, 90 minutes ▪ Proposed: RIF Introductory Training, full-day	▪ Smart training, full-day
. Foromic *(Guayaquil, Nov. 4-6)*	▪ Cara Forster (tentative) ▪ Anne Hastings (tentative)	▪ Proposed: RIF Introductory Training, full-day	
e-MFP *(Luxembourg, Nov. 12-14)*	▪ Laura Foose ▪ Cécile Lapenu ▪ Emmanuelle Javoy ▪ Karin Malmberg (tentative) ▪ Anne Hastings (tentative)	▪ Proposed: RIF Panel, 90 minutes ▪ Proposed: RIF Introductory Training, full-day	▪ Truelift panel ▪ Cerise panel ▪ Results of Emmanuelle Javoy's research of industry infrastructure
South Asia Microfinance Network *(Islamabad, Nov. 17-19)*	▪ Zahra Khalid (tentative)	▪ Proposed: RIF Introductory Training, full-day	
Africa Microfinance Week *(Burkina Faso,*	▪ Amelia Greenberg	▪ Proposed: RIF Panel, 90 minutes	

Dec. 1-5)		▪ Proposed: RIF Introductory Training, full-day	
India Microfinance Summit *(New Delhi, Dec. 8-11)*	▪ Laura Foose	▪ Proposed: RIF Panel, 90 minutes ▪ Proposed: RIF Introductory Training, full-day	

- *Next steps*: If any other group members are planning to attend one of these conferences, please tell Katie Hoffmann, so we can include you in the RIF sessions. If you are planning a separate panel or training, please let Katie know so we can make sure the RIF sessions do not conflict.

ii. **RIF Introductory Trainings**
   - As demonstrated by the upcoming conference schedule, the RIF Working Group has several upcoming full-day Introductory Trainings. These joint trainings will be used at conferences, as well as through other opportunities. The group reviewed a draft agenda:
      o Introduction, 9 a.m. to 9:15 a.m.
      o Resources and Roadmap for Improving Responsible Inclusive Finance, 9:15 a.m. to 10:15 a.m.
      o Break, 10:15 a.m. to 10:45 a.m.
      o Introduction to the Universal Standards for Social Performance Management, 10:45 to 12 p.m.
      o Lunch, 12 p.m. to 1 p.m.
      o Introduction to the SPI4, 1 p.m. to 2:15 p.m.
      o Break, 2:15 p.m. to 2:45 p.m.
      o Introduction to the Client Protection Principles, 2:45 p.m. to 4 p.m.
      o Conclusion, 4 p.m. to 5 p.m.
   - Alex Rizzi suggested that, when possible, it would be good to poll participants ahead of the trainings to determine their level of knowledge of RIF issues, as well as their specific interests. This will help the group tailor the training based on the region or level of experience.
   - Nadia van de Walle suggested that the group identify local experts for all initiatives. This would also allow for a discussion of the role of associations. Anne Hastings agreed and suggested that the group could even invite local TA providers to the training.
   - Nadia also noted that the Smart Campaign section should talk about certification and specific tools for implementing them. Smart has mini exercises created that could fit well here.
   - Nadia noted that having participants practice on tools – such as Smart Assessments – takes a bit longer than anticipated. The section with SPI-4 may take longer than anticipated. Cécile agreed and suggested doing shorter exercises that underline some of the essential practices.
   - JD Bergeron would like to underscore the "So what?" aspect of RIF, emphasizing that working on these issues result in better client outcomes.
   - Emmanuelle Javoy, who led a RIF training in Luxembourg, noted that the presentation is very dense. She also noted that used a case study that worked well. At the end of a training, she used a

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rater's evaluation of an institution and had groups read through it to learn the Universal Standards. Once people had an idea where an MFI stands, they could discuss how the MFI could improve .

- o Anne agreed that the day seemed too packed, as well as too focused on initiatives. Before hearing about all the tools, many participants will first have to be convinced that RIF is going to lead to better outcomes.
- o Laura Foose thought it depends on audience and that it's not necessarily always "making the case for RIF." Often, it's about how and when to use the various resources. This will depend on the audience, so it's good to poll in advance.
- Frank Ballard asked for more specifics about how PPI would be incorporated. Katie noted that it will be part of the initial overview of RIF and the SPI4 (as a module), as well as possibly a case study during the section on the Universal Standards.
  - o Laura noted that it would be good to have an optional, 30-minute module on PPI and Truelift. That way, if an audience member asks about it, the group has a prepared module. The trainers can also take cues about this from the planned pre-training surveys.
  - o The group agreed that other 30-minute modules to prepare include:
    - PPI
    - Truelift
    - Pricing transparency
    - Investor perspective
  - o Laura also noted that the group will pass out flash drives with information. Each initiative will have a folder on the flash drive and can include any additional information they think will be helpful. Emmanuelle suggested we have videos on the USBs that explain how to use the resources and tools.
- Anne thinks the training addresses the Client Protection Principles as if they are separate from the Universal Standards.
  - o Cécile agreed and though we should change the order of the training to have client protection right after the Universal Standards: 1) Intro, 2) Resources, 3) Introduction to Universal Standards, 4) Focus on CPP, 5) SPI4 as an assessment tool 6) Next Steps: How to use the diagnostic to improve practices.
  - o Laura said that with the current agenda, shows that the Universal Standards encompass all of the different standards. Then, there is a tool where an MFI can do a rapid assessment against those standards. As a first step improving, you could address client protection.
  - o Alex agreed with Laura on the order and suggested we change the language to "Implementation of Client Protection Principles," as the principles will have been introduced during the section on the Universal Standards.
  - o Cécile agreed and said that a key message is that MFIs should not stop after assessment. They need to implement and use resources to improve practice.
- Cécile noted that, for the conclusion, it is important to talk about how to use any of the diagnostic tools to define priorities, action plans, board discussion, etc. to improve practices. She said Cerise is developing case studies from the SPI4 beta testers that show how they used their diagnostic tools to create action plans. The last section should also emphasize the USSPM Implementation Guide, as well as all the Smart tools.

- Trainings will be translated into French and Spanish.
- The group agreed to the following timeline:
  - Each intiative will develop his or her respective sections and submit a first draft to Katie by Aug. 20.
  - Katie will compile and share the drafts with the group.
  - The group will review the training and finalize it by Sept. 15.
  - The first training will be held at the SEEP conference on Sept. 25.

iii. **Sequencing**
- During its call in May, the RIF Working Group began to discuss what joint message it would have, if any, about how MFIs should sequence activities.
  - On that call, some said they thought MFIs should focus on doing no harm, and others thought institutions should focus on doing good, which includes doing no harm.
  - Overall, the group agreed that any joint message would have to emphasize that there is not one, universal way for MFIs to approach this. Rather, it depends on several factors, including the institution's mission and level of experience.
- Since that discussion, the SPTF board drafted its own thoughts on sequencing:
  - The Universal Standards is a comprehensive manual of best practices created by and for people in microfinance as a resource to help financial institutions achieve their social goals.
  - If you are unfamiliar with the complete set of Universal Standards, become familiar with them first.
  - If you wish to assess yourself against the complete set of Universal Standards,* the SPI4 is an effective tool to do so. Completing the SPI4 for the first time takes around 2 full days, and it will provide you with visual summaries and reports on your performance against the Universal Standards.
  - Once you have assessed your performance against the standards:
    - If the results suggest you may be harming clients, address these areas first.
    - Beyond that, we cannot say one Universal Standard, or one section of the Universal Standards, will always be more important to address than others. In fact, each individual organization will find that addressing some weaknesses is more critical than others, depending on your current practices and the degree to which you fall short of best practice in any particular area – this will be specific to your organization.
    - Focusing on a single Universal Standard or a small set of Universal Standards and devoting extensive time and resources may lead you to neglect other important areas. Therefore, periodic review of performance against the broad set of Universal Standards is important.
    - At the same time, note that repeated assessment of performance without taking action to address weaknesses will add little value and will waste resources. Action is key.
- Although she was unable to join the call, Isabelle Barres has seen and agreed to SPTF's proposed thoughts on sequencing.
- JD agreed that this was logical sequencing for SPTF. For RIF, he said the group should push to meet MFIs where they already are. One universal message doesn't work because institutions are in

such different places. The group needs to create the expectation that it knows and understands that there are several paths. Sequencing should focus on knowing the big picture and then engaging with what you're ready for.

- Laura said that she would prefer this messaging be ready in case we are asked a question, rather than proactively putting it into the training. That allows people to come up with prioritizations. But, if the group is asked, we need to be ready to respond.
- Anne and Cécile think a good sequence would be this:
    o Start learning by reviewing the Universal Standards
    o Then, choose an assessment, depending on the MFI's mission, experience. Could be a specific focus and tool (Smart Assessment, Truelift Assessment) or a wide overview (SPI4). Assessments also can be self-assessments, accompanied or external.
    o Then, there the group could have key messages on prioritization for MFIs who have completed an assessment.
        ▪ Don't harm clients
        ▪ Look at key warning signs for risk management (high interested rates, etx)
        ▪ Quick wins
- Emmanuelle noted that it would be good to have 2-3 examples of MFIs in different situations and see what actions plans they have/could develop. This would help illustrate the debate of where MFIs should start. Cécile noted that the case studies from the SPI4 beta testers could be used for this, perhaps at the end of the Introductory Training.
- JD noted that many MFIs are often frustrated with the complexity of the industry, and is worried that, with joint messaging, it could come off as all or nothing. We don't want MFIs to turn away from all RIF because they're frustrated with one initiative.
- Laura noted that an institution is poverty-focused and does not know if it is reaching poor people, it needs to do the PPI. That could be a first step.
- Cécile noted that SPI4 indicators are being reduced by 25%, and it will likely be finalized in September.

iv. **RIF Infrastructure**
- CFI has asked Emmanuelle Javoy to assess what it would take to support infrastructure in responsible inclusive finance. Several institutions in the industry have thin margins or are dependent on subsidies.
    o First, she is documenting the current business models of the main initiatives – MIX, MFT, specialized microfinance rating agencies, SPTF and Cerise – and is gathering information on their financial statements, efficiency measures, etc. She noted that PPI and Truelift could be included if they want to be.
    o Next, she will look at how other industries organize their information infrastructure. She's currently interviewing information providers for investment funds to see how they structure pricing, how they're organized and what type of information is available on their platforms.
    o Then, she will interview the users of information infrastructure about what's useful and what needs to be improved.

- o Given that research, she will draw up scenarios about how the infrastructure could be better structured. What are the pieces of budget of those initiatives that are spent on those tasks? Are initiatives duplicating tasks? If so, is there a way to save?
- Anne noted that CFI has gotten an invitation from e-MFP to present this to a group of stakeholders in Luxembourg. The ultimate objective is to convene stakeholders in the fall and take all this information and look at different scenarios of how it could be organized better.
- Laura asked how this is different from RIF.
  - o Emmanuelle said it's also meant to include the users of information as well as funders of information.
  - o Anne said the point is to put it out to the sector to discuss. The members of the RIF would be invited to discuss as stakeholders. If the sector is going to be sustainable, the users of the information are going to have to step up, rather than just relying on subsidies. For example, we need the information that MFT produces, but they are struggling with the funding necessary to do that.