

Responsible Inclusive Finance Working Group, Convening #6
Hosted via WebEx
November 26, 2013, 8:30 a.m. – 11 a.m.

Participants

- Frank Ballard, Grameen Foundation
- Isabelle Barres, Smart Campaign
- JD Bergeron, Truelift
- Frank DeGiovanni, Ford Foundation
- Laura Foose, SPTF
- Anne Hastings, Microfinance CEO Working Group
- Katie Hoffmann, SPTF
- Michael Knaute, Convergences
- Cécile Lapenu, CERISE
- Marten Leijon, MIX
- Karin Malmberg, Principles for Investors in Inclusive Finance
- Kasia Pawlak, MFC (representing the SP Fund for Networks)
- Julie Peachey, Grameen Foundation
- Micol Pistelli, MIX
- Tony Sheldon, SPTF
- Sebastian von Stauffenberg, MicroRate
- Leah Wardle, SPTF

I. Meeting Overview

The sixth convening of the Responsible Inclusive Finance (RIF) Working Group focused on three agenda items: (i) feedback from the group's first two joint presentations; (ii) an update from CERISE on the SPI-4 Expert Panel; and (iii) a discussion on future strategy coordination among the group's initiatives. The next RIF Working Group will convene in January 2013. The recording can be found here:

<https://sptf25.webex.com/sptf25/ldr.php?AT=pb&SP=MC&rID=26518442&rKey=a08eca3fee8e50cb>.

II. Next Steps

The RIF Working Group identified the following action items:

- Laura Foose and Katie Hoffmann will write a concept note to detail the group's vision for joint funding. After developing the note, each initiative will describe their specific piece of the project.
- Katie Hoffmann will research various ways the RIF Working Group can use Salesforce to share contacts and calendars.

III. Summary of Dialogue on Agenda Items

i. Welcome Remarks

Katie Hoffmann opened the meeting with an introduction of the RIF Working Group and an overview of the agenda. She welcomed Julie Peachey and Frank Ballard, both of Grameen Foundation, to the group.

ii. Feedback from Joint RIF Working Group Presentations

- The RIF Working Group has delivered two joint presentations – one at the Microcredit Summit in the Philippines and one at European Microfinance Week in Luxembourg. Katie Hoffmann gave an overview of the first two presentations:
 - The presentation at the Microcredit Summit was held October 11. Representatives of SPTF and the MIX delivered a PowerPoint presentation that described the various resources in responsible inclusive finance available to MFIs, as well as a roadmap for MFIs to improve practice. The PowerPoint was followed by 20-minute, interactive quiz, as well as a panel of MFIs on using the tools and resources. Approximately 40 people attended the session.
 - The presentation at European Microfinance Week was held November 14. Jurgen Hammer started the presentation with a quick quiz of main responsible inclusive finance themes. Laura Foose delivered the PowerPoint presentation, followed by questions. Chuck Waterfield, Isabelle Barres and Emilie Goodall were on hand to answer questions. More than 85 people attended the presentation.
 - At both presentations, attendees received a handout with links to access the resources and tools described in the presentation.
- The group will use the joint presentation at two more conferences in 2013 – one at African Microfinance Week and one at the India Microfinance Summit. Katie Hoffmann summarized feedback about the presentations, to help inform these and other future sessions.
 - Both sessions were well received. Attendees described the presentation and roadmap as clear and explanatory. In Luxembourg, three organizations – FMO, the Dutch Ministry of Finance and KfW – requested their own RIF sessions.
 - The quiz is effective. In both presentations, it helped keep people engaged and also helped reinforce main themes of the presentation. It was particularly helpful in the beginning of the presentation, as many participants got the questions wrong, which seemed to pique their interest for the presentation.
 - While the group has heard positive feedback about the roadmap, the slides are very dense. Laura suggested that one possible way to break up the PowerPoint would be to spread quiz questions throughout the PowerPoint. For example, the presenter could ask a couple of quiz questions to start a session then ask a question specific to client protection certification before the “demonstrate” slide.
 - Leah Wardle noted that some links on the handout have become updated. The initiatives should continually send updated links to Katie when necessary.
 - Cécile Lapenu noted that the handout would look less dense without the links to the resources. She also noted that the group should have a French version of the handout for African Microfinance Week.
 - Cécile also suggested that future presentations have a verbal quiz about attendees’ experiences with implementing these concepts.
- The group agreed on a new definition of responsible inclusive finance to use in the presentations, as the old definition was more of an expression of the vision of the group than a definition. The RIF Working Group now defines responsible inclusive finance as “the

provision of financial services in a way that targets excluded people, protects the interests of clients, and protects the mission and sustainability of the institution.”

- Katie reminded the group to include the term “inclusive” in “responsible inclusive finance.”

iii. Update from SPI-4 Expert Panel

- Cécile Lapenu provided an update on the SPI-4 Expert Panel, which was held Oct. 7 – 9, 2013 in Paris. CERISE will continue working with SPI users, and experts to develop the new version of the SPI tool, which will serve as a universal social performance assessment tool.
- Cécile noted that the Universal Standards of Social Performance Management and Client Protection Principles will be the core of tool. CERISE will add specific lenses for MFIs that are interested in pro-poor, rural, gender or environmental issues.
- At the expert panel, the group:
 - Decided it should harmonize terminology across the industry. This will help ensure that when initiatives discuss standards, everyone is talking about the same level of analysis. At the highest level, there will be **dimensions**. Each dimension has a number of **standards**. Institutions can meet those standards by following **essential practices**, and those essential practices can be assessed by **indicators**.
 - Discussed how the framework of the tool would be designed. CERISE aligned the tool with the six dimensions of the Universal Standards, which include the Client Protection Principles. It may include a seventh dimension on green microfinance. It is developing lenses on rural (in conjunction with FOROLAC), poverty (in conjunction with Truelift) and gender (in conjunction with the SPTF Gender Working Group and Women’s World Banking. CERISE is talking with the Grameen Foundation about incorporating its Progress out of Poverty Index, and is talking with the International Labor Organization to make sure it updates all relevant employee practices.
- Going forward, the SPI-4 timeline will be as follows:
 - **From November – December 2013**, CERISE will continue to have regular online meetings with the expert panel to discuss the structure of the tool, scoring methodology, reporting system and other related issues. It will also hold bilateral meetings with key SPI users.
 - **By the end of January 2014**, the beta version of SPI-4 will be available in Excel format.
 - **For the remainder of 2014**, CERISE will pilot SPI-4 with various MFIs. At the SPTF Annual Meeting in June 2014, it will assess feedback from the pilots.
 - **In December 2014**, CERISE will release SPI 4 v.1 in either an Excel- or Web-based format. Cécile noted that CERISE is talking with MIX to discuss approaches for data collection.
- The group had several questions about the Expert Panel.
 - Laura Foose asked Anne Hastings if the framework makes sense for the 250 MFIs in the Microfinance CEO Working Group. Anne noted that she thinks it will be helpful to show the framework to the MFIs’ social performance leads.
 - Cécile said the pilot will focus on key users that will have support from networks. She doesn’t want to ask too many MFIs to use it, as the training materials won’t have been updated yet and she wants to be able to follow the early users closely.
 - For early users, Cécile plans to use MFIs and networks that have been involved in early discussions.

- At the SPTF Annual Meeting in June, CERISE will conduct a training session on using the SPI-4. After the meeting, she said they may broaden the number of MFIs piloting the tool.
- Laura Foose noted that SPTF would also like to have a workshop at the Annual Meeting for MFIs who have been piloting the tool.
- Cécile noted that, while the pilot will start with a limited number of users, the tool will be available for self-assessment in January and any feedback is welcome.
- Laura noted that it would be helpful to do a mapping of the 250 MFIs in the MCWG and the MFIs that are working with the 10 networks through the SP Implementation Fund to make sure the group gets getting a regional distribution.
- Laura also wanted to make sure the group was coordinating on respective “Voice of the Client” projects. Laura met with Lucas Wellen at European Microfinance Week and talked about how he is working on these projects to facilitate direct feedback from clients on microfinance services. Isabelle Barres and Marten Leijon said Smart Campaign and MIX have been working on their own respective projects. Isabelle said the Smart Campaign project will start next year and will focus broadly on client protections issue.

iv. **Strategy Coordination**

- On the RIF Working Group call in September, the group decided it would be important to coordinate on a strategic level, not just on an activity level. To develop a framework for visualizing strategic coordination, the group used its framework from the joint presentation – *Learn, Assess, Plan, Implement and Demonstrate*. Also, to show activities by stakeholders, the framework breaks activities down by MFIs, investors and regulators. The group discussed various possibilities for coordination, with Tony Sheldon moderating the discussion.
 - Laura Foose noted that there’s good synergy between the Smart Campaign and SPTF. SPTF focuses on getting MFIs on the on-ramp of social performance. Now that it has developed the Universal Standards, SPTF is focusing on getting as many MFIs to the *Assess* stage as possible. From her perspective, it seems that Smart Campaign is more on the *Demonstrate* stage, with a focus on certification.
 - Laura said that SPTF has already funded webinars to help MFIs implement the Universal Standards. Laura would like to fundraise to
 - Support the 250 MFIs in the Microfinance CEO Working Group, which have made a public commitment to implementing the standards and making best efforts to move toward Client Protection Certification.
 - Conduct introductory meetings and trainings on overall social performance.
 - Isabelle Barres said that, while the Smart Campaign is communicating heavily on certification, its main work is still getting MFIs into the position to be certified. So it is still working toward the beginning of the roadmap, particularly in the *Assess* stage.
 - Isabelle suggested doing joint trainings of trainers to develop a pool of experts who can provide support to MFIs.
 - Often, a similar set of skills is required to train on the different RIF resources. A pool of experts that are trained across initiatives will be more efficient for MFIs.
 - Trainings would depend on the level of depth the audience wants to go into.

For example, first days of the joint trainings could focus on overall responsible inclusive finance, then go deeper into client protection and then deeper into pricing transparency.

- Isabelle said that the Smart Campaign has been investing in capacity building and has more than 90 assessors. Still, they see a demand from MFIs for more assessors.
 - She also noted that the Smart Campaign has been extended to end of 2015. After that, it may be a decentralized model, with local hubs, which would require the development of local capacity. She said it would be helpful to everyone if the group had joint social performance hubs, as opposed to all initiatives having individual hubs.
- Cécile Lapenu said that joint challenge now is in the *Plan* and *Implement* stages, and that the group should create a joint curriculum for training. For implementation, the group should work together and train around the "Implementation Guide" to ensure coherence of messages in implementation of the Universal Standards and CPP.
 - Cécile noted that the group should coordinate on trainings at Boulder/Turin. The group should work with trainers there to include a social performance lens in different sessions.
- Kasia Pawlak noted that networks generally want to hear the big picture and then start discussions of implementation with something more concrete. When providing integrated trainings, it will also be important to provide the appropriate sequencing. She also said that she would like financial inclusion treated as part of the integrated framework, not separately.
- Laura suggested the group create a joint database of technical assistance providers. SPTF has created such a database, so the group can build on that one or create its own. ADA and the MF Netherlands platform have approached Laura about creating their own databases, so there's demand for such a service.
 - Laura noted that the database would make it easier to build out the providers' skills and create a "pool of experts."
 - She also noted that the group can have RIF officers in each region. These officers could coordinate trainings and other RIF activities at the local level.
- Isabelle likes the idea of a TA database and thinks it will help the initiatives be less involved in the matching of TA providers and clients.
 - She suggested that the database indicate whether or not a provider has attended certain trainings and list their credentials. Also, the clients who have used their services can provide feedback.
 - She thinks the group needs to provide more details about how to qualify the people in the database. The Smart Campaign has an accreditation process to determine if people should be support assessors or lead assessors.
- Other comments about the TA database:
 - JD Bergeron suggested the group could use Salesforce to coordinate calendars as well as these contacts, which also could house feedback from MFIs.
 - Anne Hastings said it would be beneficial to have people who are assessors and TA providers. Every time a new person is hired by an MFI, it takes them awhile to understand the MFI. Isabelle agrees. There will be some conflict of interests, but she agrees the costs are too high to have them separate.

- Anne also noted that the database assumes MFIs receive their information from the web or from their network. However, they get information from their local network and websites, as well as through their global network.
- Isabelle noted that it's important to have common skills at a high level for the providers in the database but that there will be differences in expertise in certain areas.
- Kasia noted that the database should also feature sample TORs and reports to help MFIs contract out work and what to expect from the service.
- Laura said, given these opportunities for joint cooperation, it makes sense to focus on joint funding. For example, the group needs to build out training. The group can jointly develop the concept of the TA database and put together one proposal.
 - For SPTF, the main objective is to get as many people implementing the Universal Standards as possible. Since the standards include all of the initiatives, Laura see the goal including everyone's initiatives. It's not just about funding SPTF overhead, but about projects supporting broader infrastructure.
 - She also wants everyone to be aware of which donors people are approaching and what they're asking. SPTF will be approaching Liechtenstein Development Service (LED), ADA, Luxembourg Microfinance and Development Fund, Swiss Agency for Development and Cooperation (SDC), Mastercard Foundation and United Nations Capital Development Fund (UNCDF) (New York and Dakar).
 - Laura asked that if people plan to approach or have recently approached those donors, let her know so that she can put her request into context of the overall RIF framework.
 - The group can develop joint proposals to get MFIs on the "on-ramp" of responsible inclusive finance, which benefits all the initiatives. The proposal would reinforce how all the initiatives work together. Then, each initiative would fund their specific areas.
 - Isabelle agrees. It makes sense everyone knows what others are doing so they can reinforce to donors how everything fits together. She said Smart Campaign has not approached the funders Laura listed.
 - JD also agreed that joint funding would be beneficial, but he noted that the group would have multiple sets of overhead. Laura said the funding should focus on joint projects, not institutional funding.
 - Kasia noted that it's also important to clearly describe the sequencing for joint activities. If the MFI should do one thing over the next few years, what should they do? What should the group promote on a segment basis, and what should it promote on a mainstream basis over time?
 - Isabelle agreed that prioritizing is important, not just in terms of various phases but also across topics. Everyone needs to be comfortable with the idea that people's work may not be prioritized.
 - Frank agrees that a joint funding proposal for projects would be a good idea. He suggested that the group fill out the framework with everyone's activities and then develop a narrative that details the overall vision and what it will take to get MFIs on the "on-ramp." Then, funders can see how everything fits together and fund this piece or that piece.
- The group also decided it should coordinate when initiatives upgrade standards and tools.

The more the initiatives integrate, the more one update will affect others.

- Laura noted that SPTF is developing guidelines for when to update the Universal Standards. It has committed to waiting until at least 2015 before updating again.
- Isabelle said the Smart Campaign plans to update client protection standards in 2015.
- Isabelle noted that, when you think about the time needed to update documentation, tools, retrain people, etc., two years is a short time.
- Laura also wanted to discuss coordination on investor awareness.
 - SPTF is working with PIIF in preparation for the February investor meeting in London, hosted by CDC. This year, the social investor meeting will be combined with CGAP's DFI consultation. The meeting will have joint sessions with asset managers and institutional investors, then break off into groups to discuss.
 - Laura noted that she's trying to reach out to asset owners and institutional investors. Impact investors tend to think of microfinance as only one thing, without seeing other areas. SPTF is focusing on an education campaign – introducing the standards and the PIIF – and asking institutional investors for their reaction. Some investors are in the Assess stage, with the ALINUS group, which focuses on aligning the Universal Standards with investors' due diligence processes.
 - Kasia noted that networks always say the investors in the field are not aware of the standards. She suggested the group provide some recommendation for internal awareness-raising activities.
 - Julie Peachey noted that the Grameen Foundation is developing "PPI standards of use" for the raters who will start doing PPI certifications as part of their social ratings.
- Strategy discussion on MENA
 - Laura said a gap analysis showed MENA as a glaring regional gap. There's not enough capacity on the ground there. SPTF has started outreach to different actors in the region to determine a strategy to increase capacity. A survey showed that people still want SANABEL to coordinate activities in the region.
 - Isabelle said the Smart Campaign would like to do more in the region. She highlighted the European Investment Bank and AFD as interested donors.
 - Agfund and CGAP are also active in the region.
- Strategy discussion on regulators
 - SPTF members want the organization to reach out to regulators. SPTF will conduct a survey to reach out to membership and ask what should be done in terms of responsible inclusive finance and regulators. SPTF received input from CGAP and Smart Campaign, and has reached out to AFI. After receiving the responses, SPTF will come up with a summary of guidance, with examples of good and bad practices.
 - SPTF is also planning a regulator roundtable at its Annual Meeting. The West African Central Bank approached SPTF about hosting a session with fellow regulators. It will be a full-day session focusing on responsible inclusive finance.
 - Cécile noted that when discussing with regulators, government should also be invited/ She cited the BCEAO case, where the Central Bank was open to microfinance, but the national government pushed for lower cap on interest rates.