

Responsible Inclusive Finance Working Group, Convening #11
Hosted via WebEx
September 18, 2014, 8:30 a.m. – 11 a.m.

Participants

- Frank Ballard, Grameen Foundation
- Laurence Bottin, Planet Rating
- Laura Foose, SPTF
- Anne Hastings, Microfinance CEO Working Group
- Katie Hoffmann, SPTF
- Cécile Lapenu, CERISE
- Karin Malmberg, PIIF
- Aldo Moauro, Microfinanza Rating
- Alex Rizzi, Smart Campaign
- Tony Sheldon, SPTF

I. Meeting Overview

The 11th convening of the Responsible Inclusive Finance (RIF) Working Group focused on three main agenda items: (i) reviewing the upcoming conference schedule; (ii) discussing the updates to the SPI4 and (iii) finalizing an outline for the full-day RIF Introductory Training. The RIF Working Group will convene again in November 2014. The recording can be found here:

<https://sptf.webex.com/sptf/ldr.php?RCID=db52c2496a79b8ace9768eb7f4d76b53>

II. Next Steps

The RIF Working Group identified the following action items:

- Katie Hoffmann will incorporate discussed changes into the materials for the full-day RIF Introductory Training.
- RIF initiatives will submit, via Dropbox:
 - Materials they would like to have on the flash drives for the Introductory Training
 - Handouts for their sections of the Introductory Training
 - Detailed guidelines for their sections of the Introductory Training

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. Katie Hoffmann discussed recently completed conferences, as well as the upcoming schedule.
 - Asia Microfinance Forum – RIF Workshop, Aug. 5 (31 people)
 - Microcredit Summit – RIF Panel, Sept. 4 (78 people)

- SEEP Annual Conference – RIF Introductory Training, Sept. 25
- Sanabel Conference – RIF Panel, Sept. 29
- South Asia Microfinance Network (SAMN) – RIF Introductory Training, Nov. 17
- Africa Microfinance Week – RIF Introductory Training, proposed
- India Microfinance Summit – RIF Introductory Training, Dec. 11
- Aldo Moauro alerted the group that Africa Microfinance Week has been postponed, due to the ongoing Ebola crisis in the region. The event is tentatively scheduled to 2Q of 2015.
- Katie noted that RIF does not have a place on the official FOROMIC agenda. Smart and SPTF are coordinating on a possible training.
- Katie also noted that the group pitched RIF trainings and panels to e-MFP. However, e-MFP has declined, given that there are already several panels and sessions with RIF initiatives, such as Truelift and CERISE. Laura requested that these initiatives devote a bit of time at the beginning of their sessions to show where their initiatives fit in the overall RIF framework.

ii. Update to SPI4

- CERISE is finalizing Version 1.1 of SPI4 and is planning to release it next week, in time for the SEEP Annual Conference. Cécile Lapenu walked through the various changes:
 - CERISE used feedback from beta testers to reduce the number of indicators to 200, compared to 250 indicators in the first version.
 - The tool is still aligned with the Smart Assessment and the Getting Started Questionnaire.
 - The tool will import any Smart Assessment into the SPI4, and it will pre-fill the relevant Client Protection Principles indicators.
 - The tool has changed at the indicator level of the Universal Standards for Social Performance Management, but nothing has changed at the level of standards or essential practices.
 - CERISE is changing the tool's social dashboard to be aligned with MIX.
 - The new version features updated lenses:
 - CERISE has worked with Women's World Banking and FOROLAC to finalize gender indicators, and it will add those indicators to the gender lens.
 - For now, instead of trying to integrate the Truelift indicators into the USSPM, the tool will include a link to the Truelift questionnaire. Cécile said the original idea was to automatically fill in some of the Truelift indicators that come directly from the USSPM. However, it became complicated and technically difficult, given that some Truelift indicators are hard to score. Additionally, Truelift is still updating some of its indicators.
 - The rural lens is still a work in progress.
 - The version will be translated in Spanish, French and Russian.
 - CERISE is updating the guide for using the SPI4. It will now be hosted on a website – as opposed to the wiki page – to make it more user-friendly.
 - CERISE will beta test SPI4 through the end of the year and plans to have Version 1.2 in January.
 - Cécile said MIX might not change their indicators much for their 2015 collection. They are planning to adapt their wording to the last version of the Universal Standards but are not planning to change their 11 categories. If that holds, SPI4 Version 1.1 (to be released next week) will be aligned with MIX market indicators for 2015 collection.

- Cécile noted that CERISE might share the new version with the SPI4 Expert Panel to gain additional feedback.

iii. RIF Introductory Trainings

- 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 first Introductory Training will take place in conjunction with the SEEP Annual Conference on Thursday, Sept. 25.
- Below is the Introductory Training Agenda. During August and September, each initiative submitted draft materials for their respective sections:
 - Introduction, 9 a.m. to 9:15 a.m.
 - Resources and Roadmap for Improving Responsible Inclusive Finance, 9:15 a.m. to 10:15 a.m.
 - Break, 10:15 a.m. to 10:45 a.m.
 - Introduction to the Universal Standards for Social Performance Management, 10:45 to 12 p.m.
 - Lunch, 12 p.m. to 1 p.m.
 - Introduction to the SPI4, 1 p.m. to 2:15 p.m.
 - Break, 2:15 p.m. to 2:45 p.m.
 - Introduction to the Client Protection Principles, 2:45 p.m. to 4 p.m.
 - Implementation of Other Resources and Conclusion, 4 p.m. to 5 p.m.
- Given that this is a joint training, each initiative needs to be prepared to give this training. Alex Rizzi noted that it would be helpful to have detailed descriptions of each initiative’s session.
- The group reviewed selected segments of the training.
 - Pre-Survey Questionnaire. The group reviewed the draft questionnaire, which it will circulate before trainings to better tailor trainings to participants’ level of experience and interests.
 - Cécile suggested we should start the survey by asking, “What type of organization do you work for?”
 - Aldo noted that instead of saying “Social Ratings,” we should say “Ratings,” to take into account the Microfinance Institutional Rating.
 - Alex said it would be a good idea to assess each participant’s influence in his/her institution. How quickly would they be able to take what they learned into his or her organization? She noted that often we have people who are excited about these issues but lack the influence to put these resources into action at their organization.
 - RIF Framework. This will serve as an overview of responsible inclusive finance. While the group has made several shorter presentations at conferences throughout the past year, we have reworked this presentation, to take into account feedback we have received.
 - The framework starts with the same slides: providing an overview of RIF Working Group, defining responsible inclusive finance, comparing client protection to social performance management and discussing the four main RIF initiatives that create standards and norms (Smart, MFT, SPTF and Truelift).
 - There is a new slide that shows how these norms and principles (Client Protection Principles, MFT Pricing Transparency and Pro-Poor Principles) are reflected in the different dimensions of the Universal Standards for Social Performance Management, showing how the initiatives have been working together to align norms.

- People liked the concept, but not necessarily the graphic. Cécile said it seems Smart Campaign is everywhere, when it's mainly the three dimensions. She also suggested saying how many standards come into each dimension, to give perspective.
- Anne said that she doesn't think people necessarily care about the breakdown of where the CPPs are in the Universal Standards. Rather, The important message is that all of the Client Protection Principles are in the Universal Standards. Anne said we should just use the Universal Standards pinwheel and then say that all the CPPs are in there, mostly in Dimension 4. She likes how the graphic has a lens on Truelift. She thinks that the discussion of the organizations confuses MFIs. The more that we talk about the standards instead of the individual organizations, the better.
- Laura agrees that it should just be the pinwheel. She suggested we say, "Notice the logos are gone," to emphasize that this is all the initiatives coming together.
- When talking about Truelift, Anne would like to give an example of how it relates to the Universal Standards so people understand what we're talking about.
- Next, the presentation moves into the RIF pathway. We still have the overall framework, describing what each step is and the various tracks. However, we have eliminated the detailed framework slides from the beginning presentation, as they were too dense back-to-back. Now, we will use those slides ahead of each section throughout the day. For example, before the section on SPI4, we'll start with the "Assess" slide, saying these are all the assessments tools available to evaluate your strengths and weaknesses. We're going to discuss the SPI4 right now, given that it's the most comprehensive."
 - Anne thought this was a good idea, as it was tedious to go through each of the five steps all at once. She thinks we need to emphasize the part that says "Who should be involved?"
 - Anne worries that this makes client protection and social performance management look separate. She wants to focus on the unity and the simplicity. She's not opposed to the slide, but she thinks the point of this slide should be, "When you're learning about learning about the Universal Standards, who should be involved?"
- The presentation ends with True and False questions. It's important to make sure people get these key concepts, as they're fundamental to what we'll be talking about later.
- Universal Standards, SPI4 and Client Protection. Each of these resources and tools will have a 75-minute session. We did not review the materials in detail on the call.
- Final Section: Implementation and Conclusions. This is where we have the most flexibility, based on participants' interests. The plan is to use optional modules and then conclude with an activity that helps participants take the information from the training and make concrete next steps at their institution.

- Optional modules currently include pricing transparency, PPI, Truelift, MIX social indicators and the investors' perspective. Aldo noted that the rating agencies are creating a module.
 - The group reviewed the final activity sheet, which asks participants to connect each session (USSPM, SPI4, CPPs) to the work at their organizations, as well as to articulate concrete next steps for their institution.
 - Alex Rizzi noted that it would be good to get a copy of the sheets and then type up responses to give us better feedback.
 - USBs: We will pass out flash drives with RIF materials at the meetings. Initiatives will send Katie any additional materials they would like to add.
- The group had an extended discussion on what should be included on the “Demonstrate” slide.
 - Aldo brought up the fact that raters have preparatory services such as pre-certification or diagnostics. He asked if it should be included in the “Demonstrate” slide. Alex noted that it could go under “Assess” or “Implement.”
 - Aldo thinks it could fit under implementation. Where should we put pre-certification – assessments, or implementation. Laurence thinks it belongs under both.
 - The group decided to put it under “Assess,” given that pre-certification assesses the gaps between the standards and the MFI’s actual practices. It’s not prescriptive.
 - Alex noted that Smart Assessment is currently under “Demonstrate” and “Assess.” Should it be in both?
 - Anne thinks it should be under both, given that some institutions don’t pursue certification but use Smart Assessments to demonstrate progress. However, she said if we keep it on the “Demonstrate” slide, we should specify that it’s an external Smart Assessment.
 - Alex noted that there is a difference in what we want and what’s actually happening. We want people to pursue Client Protection Certification, but people also use Smart Assessments as a demonstration tool.
 - Anne asked if Moody’s should be included in the “Demonstrate” slide under ratings, given that they have asked her to be included in the slides.
 - Laura said Moody’s is included when we say “Social Rating.” We don’t spell out the specific rating agencies.
 - Frank noted that Moody’s product is technically a Social Performance Assessment, not a rating. Aldo concurred, saying it’s not a rating.
 - Aldo said the group must define what it means by “Demonstrate.” He thinks it should mean validation by an independent external source. He noted that Moody’s business model differs from the rating agencies, especially in terms of collection of information. They use local partners, networks, and associations, making Aldo question independence. Anne agrees that it is not a rating, but she still thinks it belongs under “Demonstrate.”
 - The group decided to keep it under “Demonstrate” and to say, “External assessment validated by a third party.” Laura will reach out to Moody’s to make sure that is correct.
 - Aldo noted that he thinks it should be a recognized third party.

- Anne asked if we should still have the MFT Seal of Transparency.
 - Tony says it's on hold, depending on how pilots develop and what makes the most sense moving forward.
- Cécile suggested combining the Client Protection and Social Performance Management tracks to simplify the slide. Alex thought it was good to have that clarity, at least for now.
- Anne asked why the slide says Truelift Milestones and not Truelift Assessment under "Demonstrate." Aldo said he thinks it belongs on that slide.
 - Laura asked if we should phrase it as "Social Rating with Truelift Assessment," given that you have to do both to reach the third milestone. Aldo said that is true but that you don't necessarily have to do them together.
 - Alex noted should take out the first two phases of the Truelift Milestones, as they are just about endorsing and self-assessing, rather than demonstrating.
- Anne noted that at some point during the training, it's important to explain that there are four specialized rating agencies and various accredited consultants and they need to know what products and services they're able to provide. For example, you can only get certified by a rater, but can get external assessment by a consultant.
 - Laura noted that this would be a good example of a document to put in the flash drive. Aldo and Laurence said they would produce the handout.