



# Social Performance Management

Microfinance India

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# Social Performance Management for MFIs

- The “why” of SPM
  - Genesis as a development sector
  - Most early support for today’s large MFIs is based on concessional funds
    - Grants
    - Social investor equity/ loans
    - “Priority sector lending”
    - “Regulatory flexibility”
- The “what” of SPM
  - Poverty and Income levels, gender, geography





## The “how” of SPM

Industry standards are in the process of development

In our own small portfolio of MFIs in India, we found no readily comparable SP Indicators, despite

- similar geographies
- strong commitment to social objectives and measurement
- thorough research on design of SPIs

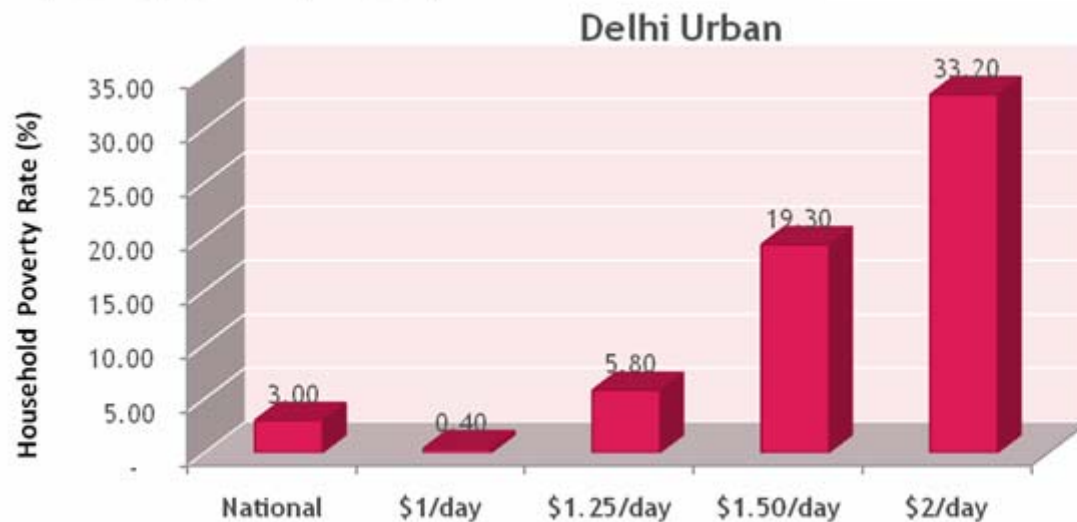


# Progress Out of Poverty Index

## Key Observations

- “Income level” - the only criteria ?
- Are \$1 a day and \$ 2 a day sufficient as data-points?
- Is MF geared up to target the bottom quartile of the population in India?
- Is “income” an equivalent criteria (given that expenditure patterns vary)?
  - Across urban and rural areas
  - Across states and cities
- Who bears the costs and pains of implementing it?

# Urban-Rural comparison of population distribution across poverty benchmarks



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