



DEVELOPING A MONITORING AND EVALUATION SYSTEM FOR INSTITUTO PALMAS, A NETWORK OF COMMUNITY DEVELOPMENT BANKS IN BRAZIL



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1 Executive Summary

At the request of Instituto Palmas, two teams of researchers from the University of São Paulo Núcleo de Economia Solidária (the “NESOL Team”) and the Columbia University School of International and Public Affairs (the “SIPA Team”) constructed a set of indicators in order to measure the social impact and institutional performance of its affiliated community development banks in Brazil. Brazil’s community development banks, also known as CDBs, are unique community-based institutions operating on the principles of the solidarity economy that seek to enhance financial inclusion of low-income communities. CDBs provide a variety of financial services including microloans and banking correspondent services, manage local “social” currencies, and often provide capacity-building activities for small-type entrepreneurs. Since CDBs are not legally recognized institutions in Brazil, they currently function as programs associated with registered community organizations such as neighborhood associations, unions, churches or local councils.

In recognition of the unique mission and circumstances of Brazilian CDBs, it was neither possible nor desirable to simply adopt one pre-established set of indicators from another organization. Rather, best monitoring and evaluation practices were identified from among a wide range of organizations through a benchmark analysis. These practices contributed to the formulation of a new set of indicators designed to meet the needs of Brazilian CDBs. Thus, the indicators proposed by NESOL/SIPA were tailored to the mission of CDBs with emphasis on four primary axes – institutional performance, socioeconomic and financial inclusion, capabilities development, and social ownership.

These indicators and the ensuing Management Scorecard will assist the CDBs with assessing their own performance and impact within their respective communities. They will enable CDBs to identify opportunities to improve product offerings, processes, institutional management, client capacity and fidelity, responsiveness to client needs and, ultimately, community impact. The indicators will also provide measurable results that can be reported externally for accountability, planning, and promotional purposes to audiences including the surrounding community, media, public authorities, partner organizations and donor

organizations. Proper implementation of the indicators is not only expected to produce internal and external benefits for the CDBs, but it is also anticipated that the indicators will contribute to the continuing refinement of the definition of a community development bank. As results and impact are assessed through the use of the indicators, the network of CDBs and other observers will have a clearer understanding of current efforts, successes and remaining gaps with regard to individual banks meeting the needs of their target communities.

The report that follows will also offer recommendations for the implementation of the tool along with recommendations for further institutional development. In spite of any existing limitations, this project will at minimum provide a framework and tool for Instituto Palmas to begin the process of institutionally retaining and organizing critical information and to advance in the achievement of its social mission – alleviating urban poverty via the solidarity economy.

2 Glossary

| | |
|-------|--|
| BP | Banco Palmas |
| CDB | Community Development Bank |
| EPD | Economic and Political Development |
| GDP | Gross Domestic Product |
| IBGE | The Brazilian Institute of Geography and Statistics (federal agency), <i>Instituto Brasileiro de Geografia e Estatística</i> |
| IP | Instituto Palmas, <i>Instituto Palmas de Desenvolvimento e Socioeconomia Solidária</i> |
| LFA | Logical Framework Approach |
| M&E | Monitoring and Evaluation |
| MFI | Microfinance Institution |
| NESOL | Solidarity Economy Research Center, <i>Núcleo de Economia Solidária</i> |
| NGO | Non-Governmental Organization |
| PTOR | Project Terms of Reference |
| SIPA | Columbia University School of International and Public Affairs |
| UNDP | United Nations Development Programme |
| USP | University of São Paulo, <i>Universidade de São Paulo</i> |

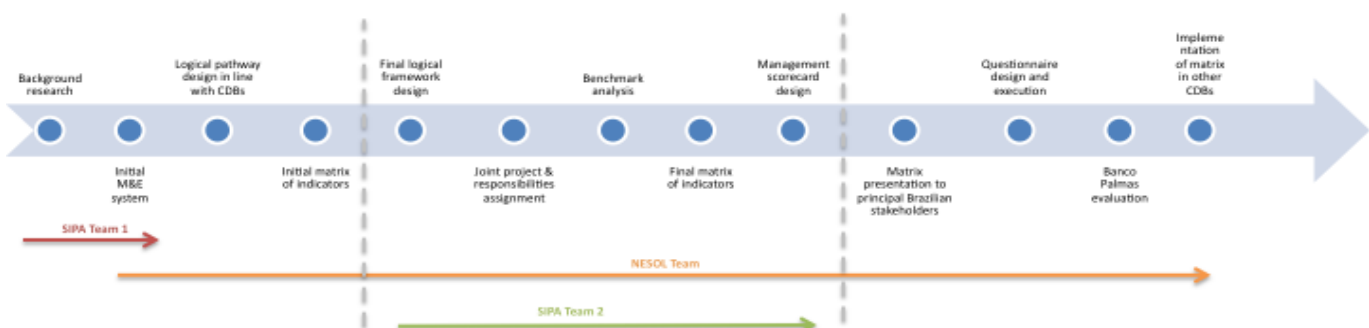
3 Background

3.1 Project Background

Instituto Palmas, based in Fortaleza, Brazil, has solicited the assistance of two research teams of graduate students from the Economic and Political Development Program at Columbia University's School of International and Public Affairs (SIPA). These teams were recruited as part of the program's Workshop in Development Practice, a capstone workshop that concludes the two-year master's degree programs in Public Administration (MPA) and International Affairs (MIA) at SIPA. Eugenia McGill is the Program Director and Scott Martin has been the Faculty Advisor to the teams, which included Olympia de Castro, Ellen Dunleavy, Hama Makino, Pablo Salazar, Davina Wood, Silvana Zepeda (SIPA Team 1, 2009-2010) and Medali Cachicatari, Maria Luisa Luque Sanchez, Angie Palacios, Mariola Panzuela Malgosa, Aaron Pierce and Elena Roseo (SIPA Team 2, 2011-2012).

SIPA Team 1 completed the construction of a monitoring and evaluation (M&E) system that served as a basis for the SIPA Team 2 moving forward. When creating the M&E system, the team constructed a logical pathway, which aimed at collecting data and information at various stages in order to find a balance between financial and social indicators, as well as quantitative and qualitative methods. To develop the M&E tool, SIPA Team 1 conducted extensive background research on current M&E methodology, reviewed the existing systems in place at IP, and conducted two field visits to IP.

After the SIPA Team 1 presented its final recommendations, a team from NESOL continued working on the project. This team of Brazilian researchers brought into the project a profound understanding of the solidarity economy and CDBs as NESOL has been involved in coordinating the creation of CDBs in São Paulo. Between the time elapsed from SIPA Team 1 recommendations and SIPA Team 2 getting involved in November 2011, the NESOL Team



developed a second version of the logical pathway that SIPA Team 1 had suggested which took into account in greater detail CDBs' unique grassroots development, community involvement and capacity.

The SIPA Team 2 complemented the efforts of the SIPA Team 1 and NESOL by carrying out a benchmark analysis on best M&E practices of social and financial impact indicators used by traditional and non-traditional foundations, donors and support organizations, NGOs and financial institutions. This benchmark analysis allowed NESOL and SIPA Team 2 to elaborate a final matrix of social indicators that would be presented to Instituto Palmas. In addition, SIPA Team 2 proposed changes to the logical pathway that NESOL had elaborated which led to the 4-axis methodology that was finally jointly presented to Instituto Palmas and approved. The SIPA Team also created two management scorecards for use by the CDBs (a Phase 1 Scorecard, to implement immediately, and a Phase 2 Scorecard, to be implemented once the CDBs are further developed) and conducted a systems review in order to assess their capacity to collect, manage and analyze data on a regular basis.

The scope of this report focuses on the work carried out by the second team during 2011-2012.

3.2 Client Background

Instituto Palmas is an innovative network of community development banks (CDBs) in Brazil, led by Joaquim de Melo, a social activist and entrepreneur who has been an Ashoka Fellow since 2004. The first community development bank in Brazil was Banco Palmas, which was established in a neighborhood called Conjunto Palmeiras, located on the outskirts of Fortaleza. Conjunto Palmeiras has approximately 30,000 residents and was founded in 1973.¹ The first residents arrived from Fortaleza as a result of the government's efforts to relocate residents that lived along the coastline during their urban development and gentrification process to foster local tourism.

In 1981, the residents of Conjunto Palmeiras founded the *Associação dos Moradores do Conjunto Palmeiras* (ASMOCONP), or the Association of Residents of Conjunto Palmeiras.

¹ de Castro, Olympia, et al. "Monitoring the Impact of an Innovative Community Banking Network in Brazil," Columbia University SIPA, EPD Workshop Project Report (2010).

The association was established in an effort to bring families together and form a community to fight for the protection of the rights and basic needs of the residents. In 1998, the association established the first community development bank, named Banco Palmas.²

As a community-managed financial institution, Banco Palmas' *raison d'être* is based on the concept of the solidarity economy that supposes an integration of producers and consumers that circulates wealth and generates employment within a community.³ The solidarity economy is broadly based on the interaction of democratic, egalitarian, self-managed cooperatives that act individually and collectively in the interests of the welfare of the community as a whole rather than in direct competition or exclusion. Common types of solidarity cooperatives include producer, commercial, consumer and credit cooperatives. These elements of the solidarity economy began to appear in Brazil as a response to poverty and unemployment experienced as a result of the economic crises of the 1980s.⁴ It was under similar circumstances that ASMOCONP decided to create Banco Palmas.

Banco Palmas has operationalized the solidarity economy via the following activities: 1) providing affordable credit on a reputational basis to area residents and entrepreneurs; 2) creating a local production and consumption map to identify the goods and services that are used and needed within the community; 3) providing capacity-building opportunities such as professional and financial management training and supporting business incubation; and 4) circulating a social currency (Palma) which complements the official national currency (Real) and is accepted and recognized by local producers, merchants and consumers, creating an alternative, solidarity market between families and local businesses.

In 2003, in order to spread the social technology of the bank to other CDBs around Ceará and other regions of Brazil, the inhabitants of Conjunto Palmeiras decided to create Instituto Palmas de Desenvolvimento e Socioeconomia Solidária (IP). IP is a non-governmental organization (NGO) that today manages a network of 67 community development banks in 13 different states in Brazil.⁵ In 2005, IP signed an agreement to

² Ibid.

³ Jayo, Martin, et al. "Microcredit and Innovative Local Development in Fortaleza, Brazil: the Case of Banco Palmas," *Canadian Journal of Regional Science* (2009).

⁴ Singer, Paul. "Recent Rebirth of the Solidary Economy in Brazil," in *Another Production is Possible: Beyond the Capitalist Canon*, Verso: New York, 2007.

⁵ Ansorena, Asier. Interview, December 1, 2011.

enter into a partnership with SENAES - Secretaria Nacional de Economia Solidária do MTE (National Secretariat of Solidarity Economy) and Banco Popular do Brasil. The agreement allowed not only Banco Palmas, but also the rest of the community development banks, to have access to credit and to act as banking correspondents of Banco Popular do Brasil and, later, Caixa Econômica Federal.⁶

The Instituto Palmas network of CDBs has expanded both its geographic reach and its business lines. It has incorporated microinsurance and other products to its financial services, and is acting as a correspondent bank to facilitate payments under the Bolsa Família income transfer program, pension schemes and other programs. The network supports a number of social projects in its communities including job skills training workshops, women's enterprise incubators and musical groups for young people.⁷ It is also affiliated with a number of social businesses engaged in community-based tourism and production and marketing of local products.

Despite its success in spreading the operational aspects of the solidarity economy through the support of new CDBs, the banking operations of the Instituto Palmas network face a number of challenges. Ensuring access to microcredit, microinsurance and other banking services to more than 500,000 people living in rural and urban communities in conditions of poverty and financial exclusion is not an easy task. In some cases, banking agencies are located 40 to 50 miles away from potential customers, excluding people from the formal financial system.⁸ Internet access is also quite scarce, which further contributes to the isolation of these communities. At the same time, community bank customers and staff have very little schooling and relatively low literacy and numeracy skills, resulting in regular errors in the manual filling of contracts, spreadsheets and other financial reports. This set of problems is aggravated by the lack of technological tools adapted to the reality of community banks that would allow bank managers to better monitor their loan portfolio and overall bank performance.

To meet some of these challenges, Instituto Palmas is working to adapt the open source management information system called OurBank (developed by Mahiti Infotech in India).

⁶ de Melo, Joaquim. Interview, January 9, 2012.

⁷ Ansorena, Asier. Interview, December 1, 2011.

⁸ Ibid.

Since it works offline, online or via cell phone, it should provide a flexible platform for automated transactions and real-time monitoring of the range of services provided by the CDBs. Most importantly, OurBank has been designed to be used by people with little formal education. At the same time, it will allow Instituto Palmas and its CDBs to monitor not only their financial operations, but also a range of social indicators, to better track the impact of the CDBs in the communities they serve.

3.3 Country and Regional Context

3.3.1 National Context

Brazil is the fifth largest country in the world in terms of population and the largest in Latin America with 190 million inhabitants. Brazil's population is heavily concentrated in the southeastern region, which includes major cities such as Rio de Janeiro, São Paulo and Belo Horizonte.



Source: Country Watch: <http://www.countrywatch.com>

By 2005, the country's urban population had grown to 81% of the total population. The implication of this trend is economic development as well as major social, environmental and political consequences. Brazil is made up of six main ethnic groups including Portuguese, African, Middle Eastern, Japanese, Europeans, and indigenous groups. These existing groups as well as following waves of immigration make up an ethnically, culturally, and linguistically diverse country. The largest population of Japanese immigrants outside of Japan resides in Brazil. The country is

predominantly Roman Catholic, followed by Protestant denominations.⁹

⁹ "Federative Republic of Brazil- People and History." Bureau of Western Hemisphere Affairs. US Department of State, accessed November 30, 2011 <http://www.state.gov/r/pa/ei/bgn/35640.htm>.

Brazil became a presidential federal republic after gaining independence from Portugal in 1822. The country has 26 states and one federal district. For two decades, Brazil experienced a military dictatorship until re-democratization in 1985. Re-democratization ushered in the New Republic and coincided with a period characterized by high inflation, slow growth, and crisis ignited by political instability, high levels of debt, as well as international economic externalities. President Itamar Franco triggered a change of course in 1994 by presenting the *Plano Real* as a solution to Brazil's fiscal and monetary woes. Franco was succeeded by Fernando Henrique Cardoso, the architect of the plan, who brought greater socioeconomic stability through a series of reforms including privatization, social welfare programs, and policies favoring international trade and investment.¹⁰

Subsequently, Luiz Inacio Lula da Silva served two four-year terms as president beginning in 2002. As Brazil's first working-class president, President Lula continued Cardoso's emphasis on conservative fiscal policy and austerity measures while adding greater emphasis on poverty reduction by consolidating the government's conditional cash transfer programs into one program called *Bolsa Família*. Moreover, in October 2010, after six presidential elections since democracy was restored in 1989 and civilian rule in 1985, Dilma Vana Rousseff from the Workers Party won a runoff election becoming Brazil's first female president. Rousseff has focused on economic growth and equitable distribution of wealth, as well as fiscal tightening and austerity. Gender equality and human rights promotion have also been important goals of her administration.

Brazil's economy is composed of a range of sectors and industries. The agricultural sector accounts for 6% of GDP and 36% of Brazilian exports, principal of which include soybeans, coffee and sugarcane. Industry accounts for 28% of GDP and it mainly includes steel, commercial aircraft and chemicals. The largest sector is services comprising 66% of GDP and includes mail, telecommunications, banking, energy, and commerce. The Brazilian economy performed well during the recent financial crisis with a 7.5% growth during 2010, which has improved the country's prospects as a global economic power. The country's economy is the sixth largest in the world and with an estimated 5% forecasted average growth it can move to be the fifth in the next several years. Lula's administration aided in reducing poverty, and for the first time in the country's history, the majority of Brazil's

¹⁰ de Castro, Olympia, et al. "Monitoring the Impact of an Innovative Community Banking Network in Brazil," SIPA, EPD Workshop Project Report (2010).

population is middle class, which has greatly increased domestic consumption. Dilma Rousseff vowed to continue to improve the economy with sound economic policies due to the rise in inflation to 6% in 2010 and the increase in interest rates by the Central Bank. The rapid growth and high interest rates has attracted investment and foreign currency inflows, which has caused the real appreciation by 40% since 2009.¹¹ Following Cardoso and Lula's focus on sustained economic growth and higher social equity, now President Rousseff is making poverty reduction her administration's top priority, which has generated much support. This new sustained direction can explain the surge of community development banks across the country.

In 2010, Brazil was ranked 73rd, up from 79th in 2009 in the UNDP Human Development Index. According to the United Nations Development Programme's 2011 Human Development Report, Brazil is considered among the group of "High Human Development" countries along with nations such as Colombia, Ecuador and Peru.¹² Nonetheless, a highly skewed income distribution aggravates poverty, which is especially problematic in the North and Northeast regions. Brazil's income inequality, though falling in the past decade, remains among the highest in the world with a Gini coefficient of 0.54.¹³ Approximately 60% of Brazilians do not have access to banking services, a fact that is vital to the mission of the CBDs.¹⁴

3.3.2 Regional Context: The Northeast

Among Brazil's five regions, which differ in cultural, historic and socio-economic characteristics, there is the impoverished region of the Northeast. This region of Brazil includes nine states: Alagoas, Bahia, Ceará, Maranhão, Paraíba, Pernambuco, Piauí, Rio Grande do Norte, and Sergipe and it covers 18.3% of the national territory. The region is subject to prolonged droughts; thus, it uses extensive irrigation systems to support largely subsistence agricultural activities.

¹¹ "Federative Republic of Brazil- Economy." Bureau of Western Hemisphere Affairs. US Department of State. Accessed: November 30, 2011 <http://www.state.gov/r/pa/ei/bgn/35640.htm>.

¹² United Nations Development Programme. "2011 Human Development Report." United Nations: New York, 2011.

¹³ World Bank. "Brazil." Latin America and the Caribbean Data. <http://data.worldbank.org/country/brazil>.

¹⁴ Mylenko, Natalia, et al. "Access to Financial Services and the Financial Inclusion Agenda around the World," World Bank: Washington, D.C., 2011.

The population of the Northeast has decreased slightly during the last decade to approximately 45 million people, which accounts for 28% of the total population of Brazil. The population is mainly concentrated along the coast, specifically in eight of the nine state capitals. Among the main cities are Salvador, Bahia, Recife, and Fortaleza.

Brazil's Northeast has the highest rural population and the lowest standards of living in the country.¹⁵ According to the World Bank, 39% of the population of Northeast Brazil lives on US\$1.48 per day, the majority being rural families.¹⁶ The region has improved its situation through community-driven development (CDD) projects sponsored by the government and international development institutions, high economic growth rates and government social programs such as Bolsa Família. Nonetheless, Northeast Brazil still struggles with high levels of poverty and inequality as well as lack of sustained economic growth.

3.3.3 Local Context: Ceará State

The State of Ceará is in the Northeast region of Brazil and is bordered by the Atlantic Ocean to the north, the state of Pernambuco to the south, and the states of Rio Grande do Norte and Paraíba to the east and the state of Piauí to the west. The capital of Ceará is Fortaleza and the state's total area makes up 9.57% of the Northeast and 1.74% of Brazil landmass, making the state the 17th largest in terms of land among Brazilian states.

¹⁵ "A Country Study: Brazil." Library of Congress Country Studies. Library of Congress Call Number F2508 .B846 1998. <http://lcweb2.loc.gov/frd/cs/brtoc.html>.

¹⁶ World Bank. "Moving Out of Poverty in Northeast Brazil." IBRD Results. http://siteresources.worldbank.org/NEWS/Resources/Brazil_NE_Poverty_Reduction_4-20-10.pdf.



Source: The University of Texas at Austin Library. Perry-Castañeda Library, Map Collection¹⁷

Ceará is comprised of 184 municipalities scattered throughout eight macro-regions of planning, two metropolitan areas and 18 micro-regions identified for administrative purposes by the state's Department of Planning and Management (SEPLAG). The state's division of regions depends on different governmental institutions such as the Brazilian Institute of Geography and Statistics (IBGE), the Department of State, and the Departments of Health, Education and Culture. Ceará has a population of more than 8 million people with

¹⁷ "Perry-Castañeda Library, Map Collection, Brazil Maps." University of Texas at Austin.
<http://www.lib.utexas.edu/maps/brazil.html>

75% living in urban areas. In the urban areas, over 99% have access to electricity in their homes and 92% have access to clean water. In rural areas, 96% of the population has access to electricity.¹⁸

The state's GDP in 2010 was approximately R\$84 billion, which represented a growth of nearly R\$10 billion from the previous year. The service and tourism sectors are the main drivers of the state's economy. Ceará also participates in the agriculture sector with the production of cereal, carnauba wax and fruit. Ceará is well known as one of the main tourist destinations in Brazil. However, the state presents poverty levels of over 50%, significantly higher than the national poverty level of 30%, as well as a Gini coefficient of 0.54, which is lower than the national Gini index noted above.¹⁹

¹⁸ Governo do Estado do Ceará. Ceará em Números. <http://www.ceara.gov.br/ceara-em-numeros>.

¹⁹ Instituto de Pesquisa e Estratégia Econômica do Ceará. "Ceará: An Outlook of Social Indicators," 2010.

4 Project description

4.1 *Rationale*

Over the last few years, Instituto Palmas' efforts have concentrated on supporting the expansion of the CDB network, an effort that demanded most of its attention. In light of the extraordinary growth it is experiencing, Instituto Palmas would like to implement a monitoring and evaluation system that would allow it to assess the effectiveness of its activities on improving the living conditions of its clients. IP's network of banks now includes a much greater diversity of communities and operations and measuring impact will be critical to ensuring that the banks remain focused on their mission and the institutional strategy.

Moreover, a monitoring and evaluation tool that could provide insight into the social impact of IP's activities would be a valuable instrument to inform potential partners and funders. Today, international development banks, microfinance investment vehicles and other potential sources of capital not only demand financial sustainability, but also a measurement of social impact.

4.2 *Objectives*

The SIPA Team's main objective was to identify and test a set of social indicators to incorporate into Instituto Palmas' M&E system. The SIPA Team worked in conjunction with the NESOL research team, which had begun development of the matrix and will perform field testing the matrix of indicators. More specifically, the SIPA team aimed to:

- Carry out a benchmarking study on the measurement of social indicators by community banks and similar institutions around the world;
- Analyze social indicators seeking to define what could be suitable to be adapted and used by Instituto Palmas and its network of CDBs;
- Identify good practices in the use of the recommended social indicators;
- Propose a refined set of financial and social indicators, building on the previous work and benchmarking study;
- Develop a Management Scorecard to be used by each CDB to monitor progress; and

- Propose an implementation strategy for the expanded matrix of indicators, taking into consideration the functional capacity of both the current SIP/Web management information system and the OurBank system that is in development.

5 Methodology

5.1 Desk Research Approach

The initial phase of the project consisted of desk research. The purpose of this initial phase was, not only to become familiar with the industry, but most importantly to narrow down, specify and understand IP's Theory of Change. Three different types of research were conducted during this first phase: literature desk review, expert interviews and IP internal document reviews and interviews.

The research question for Instituto Palmas relates to the most relevant set of indicators that could be incorporated into the monitoring and evaluation systems of the CDBs in order to assess and quantify their social impact. In order to design a relevant set of indicators, the SIPA Team needed to first and foremost define and agree with Instituto Palmas on their vision and interpretation of impact and how it relates to the organization's mission. To do so, the SIPA team reviewed the case studies and documents that IP shared as well as conducted two conference calls prior to the January Field Visit. Once this essential notion was defined, the project focused on identifying and designing the appropriate set of indicators that would allow IP to assist the member institutions in accomplishing their mission. A key consideration was needed to be made in order to understand the centralized versus decentralized nature of IP's activities. Since part of IP's mission centers on promoting local community-based organizations, these organizations might also be defining their own social objectives, particularly as they relate to the specific social needs and characteristics of their respective communities. A challenge was to balance standardization at the top and customization at the bottom of the organization, taking into consideration that a new M&E system could be tailored to adapt to the data collection needs and capacity of each bank.

In order to better direct its background research, the SIPA Team conducted several interviews with industry²⁰ specialists and academics through its personal network and the related School Student Organizations. For instance, the SIPA Team contacted:

²⁰ By industry we refer to the microfinance industry but also – for example - to Social Economy players, networks and capital providers for producer cooperatives.

- Olympia de Castro, member of the IP SIPA Team in 2010 currently working at the International Finance Corporation
- Lara Puglielli, VP Enterprise Development, Global Partnerships
- Maria Lucia Roa, Director of Ashoka Colombia

Finally, the SIPA Team gathered information on IP in order to understand its history, its mission, its role in the community and its activities. In order to do so, the SIPA Team relied on publicly available information, direct discussions with IP and the Brazilian research team, as well as internal documents shared by IP.

5.2 Field Visit – January 2012

Once the SIPA Team and IP defined the organization's Theory of Change²¹, the initial research framework for the January visit was developed. During the January visit, the SIPA Team, in collaboration with IP, identified and contacted the different stakeholders that could provide input to the project and the key contacts that should be interviewed. The first field visit objectives included:

- Testing IP's Theory of Change - to ensure that it was not underestimating any dimensions that may be relevant in measuring social impact.
- Identifying the common denominators and major differences across CDBs - to resolve the standardization versus customization dilemma for the final M&E tool.
- Understanding the current information systems being used, CDB procedures to open client accounts, ongoing contacts with clients, and the potential for integrating an M&E system into these processes.
- Defining the external target audience(s), in addition to IP and its member institutions themselves, for whom IP's social impact evaluation will be conducted. The SIPA Team needed to research the current indicators these stakeholders review, define their Theories of Change and assess their differences and similarities vis-à-vis IP's Theory of Change.

²¹ The SIPA Team understands the Theory of Change of Community Development Banks to be that the range of financial and non-financial products and services offered by the community to the community will result in the long term socio-economic improvement of the living conditions in the community

- Understanding the IP's internal governance structure in terms of the nature of the communications and authority flow from IP to member institutions. It was important to understand the existing feedback, learning and decision-making mechanisms and how the M&E system and the precise indicators would feed into these loops.

In order to achieve the set of objectives for the field visit the SIPA Team conducted internal interviews and small focus groups with multiple IP staff, including Joaquim de Melo. The SIPA Team also conducted interviews with CDB clients and a variety of CDBs representing a range of contexts and capacities. These CDBs included both rural and peri-urban settings as well as banks with different origins and levels of staffing, experience and technical capacity.

During this first field visit, it became apparent to the SIPA and NESOL teams that their work would need to be integrated in order to provide IP with a consistent and applicable M&E system. The two teams, in cooperation with IP staff, prepared a common workplan and developed a common conceptual framework for the M&E system that best fit the context and mission of the CDBs. This conceptual framework, comprised of four critical axes, served as the basis upon which the matrix of indicators would be developed.

5.3 Benchmark Approach

The SIPA Team followed a five-step process for its benchmark analysis in order to produce the set of indicator recommendations included in this document.

First, the SIPA Team designed a framework in order to categorize the different organizations to be benchmarked. The main purpose of this framework was to capture the financial institutions and community development organizations that were similar to the various components of CDBs and their mission. The framework served as a basis upon which the approaches these organizations followed in pursuit of their respective missions could be related to the experience of Brazilian CDBs. The objective was then to be able to map the CDB network in the matrix and compare it to its peers around the world.

The framework was initially conceived as a 2x2 matrix outlining financial and community organizations across traditional and non-traditional categories. However,

| | Financial | Community | Donor/ Support |
|-----------------|-----------|-----------|-------------------|
| Traditional | | | |
| Non-Traditional | | | |

the SIPA Team decided to add donors and support organizations as a third type of organization to be benchmarked with the rationale that Instituto Palmas would also benefit from the knowledge of what measures these organizations, ranging from traditional funding institutions like the Inter-American Development Bank to more innovative support organizations like Ashoka, require or utilize when funding projects.

After classifying 82 organizations in the 3x2 matrix shown above, the team conducted a benchmark mapping exercise to systematically collect information such as size, mission, strategy, management approach, sources of capital, region of operation, and more on each of them. The team created a detailed framework in which each organization was compared across five main categories and 40 subcategories.²² Within this classification system, two subcategories, feasibility and relevance, served as key drivers to identify which organizations from the “long list” mapping exercise would be further analyzed. The feasibility element related to the likelihood of obtaining additional information about an organization’s impact measurement system beyond vague or simple descriptions available on their websites (i.e. Were there published reports on them or by the organization? Would it be possible to contact the organization?). Relevance referred to the potential degree of transferability of best practices from these organizations to the mission and circumstances of Instituto Palmas and the Brazilian CDBs.

The third step was to conduct a deep-dive analysis on those organizations considered most relevant and feasible among the list of seventy-five previously cross-compared. This in-depth analysis consisted of preparing profiles of 22 “short list” organizations using a more detailed template.²³ The profiles captured key information regarding each organization’s definition of impact and their monitoring and evaluation systems, particularly the indicators and M&E practices that would be most important to be considered by Instituto

²² Please see Annex 1: Benchmark Mapping Exercise in page 59

²³ Please see Annex 2: Benchmark Deep-Dive Profiles in page 65

Palmas. As a result, the short list profiles facilitated the transition to developing and analyzing the CDB indicator matrix that was already underway with the NESOL Team.

The fourth step of the process was to link each short-listed organization to one or more of the four axes of the NESOL-SIPA indicator framework, which included “Desempenho Institucional” (institutional performance), “Inclusão Socioeconômico e Financeira” (socioeconomic and financial inclusion), “Desenvolvimento das Capacidades” (capabilities development), and “Controle Social” (social ownership). This exercise involved determining which organizations would provide the most valuable input to each axis based upon the quality and relevance of their indicators. For example, One Acre Fund was determined to add value to the capabilities development axis while M-PESA informed the institutional performance axis.

By the fifth step, the SIPA Team had thus categorized a long list of organizations within the 3x2 matrix, compared them across forty dimensions, selected the most relevant and feasible organizations, analyzed their monitoring and evaluating systems and linked them to the axes of the preliminary NESOL-SIPA indicator framework depending on where the benchmarked organization added the most value. The fifth step was to chart the most relevant indicators in relation to the preliminary matrix in order to make recommendations as to the final matrix of performance and impact indicators to be utilized by Instituto Palmas and the CDBs. This step followed two approaches – validation and suggestion. The former served to verify that those indicators proposed by NESOL-SIPA in the preliminary matrix were also being used by peer organizations. The latter approach identified the indicators used by peer organizations that were considered applicable best practices for CDBs and not already captured in the NESOL-SIPA matrix. Suggestions to the matrix also included new indicators that were not being used by comparable organizations but were developed by the SIPA Team in light of the benchmark analysis and the background research on Brazilian CDBs.

Upon conclusion of the benchmark analysis process outlined above, the SIPA Team identified a set of recommendations for Instituto Palmas to consider for its final matrix of indicators.

5.4 Matrix Refining

The four-axis matrix of indicators developed for the Brazilian CDBs includes multiple levels of categorization and prioritization. As shown in the following diagram, each axis is divided a sequence of subparts including Specific Objectives, Expected Results, Macro-Indicator, Indicator, and Source.



The final NESOL-SIPA matrix²⁴ features a total of 160 indicators divided as follows:

- 59 Institutional Performance indicators
- 56 Socioeconomic and Financial Inclusion indicators
- 27 Capabilities Development indicators
- 18 Social Ownership indicators

This section discusses the process of validating, enhancing, revising and finalizing the indicators that ultimately comprised each of the four axes.

5.4.1 Institutional Performance Axis

a. Validation of the Axis

Axis

Research findings on financial and support institutions validate the importance placed on financial performance by organizations across the board. Diligent, accurate, encompassing and timely financial information is required to ensure the long-term sustainability of the organization. The indicators that were included in this axis effectively respond to this need. Beyond financial indicators, the SIPA Team validated the importance of capturing information regarding the types of clients served, along with human resources indicators in the monitoring of institutional performance. The inclusion of these indicators in the matrix is therefore in line with the benchmarked organizations' best practices. The organizations that were studied in this axis are broad ranging in scope and in geography:

- 3 banks - Caixa (Government owned), Mibanco (Peruvian for-profit private bank) and M-PESA (Kenyan for-profit bank/Telecom company)

²⁴ Please see Annex 3: Matrix of Indicators in page 109.

- 3 support organizations - MIX, IRIS and Cerise.

The fact that all of them look at institutional performance aspects validates the importance of this axis for community development banks (CDBs).

Indicators

The Institutional Performance indicators that were part of the original NESOL-SIPA matrix were in line with those generally used by other financial institutions. Some suggested additions, which were used by the benchmarked institutions, are noted below.

b. Suggestions to the Axis

Axis

Overall, the axis adequately captures Institutional Performance. Nevertheless, indicators measuring the quality of the products offered could also be included in the proposed matrix. These include:

- Relevance of the products offered to the targeted clients,
- Timely delivery of these products, and
- Client satisfaction.

In addition, the inclusion of indicators measuring client protection and participation might be important when taking into account institutional performance. Proposed indicators addressing these topics are discussed below.

Indicators

There are 2 groups of indicators to be discussed:

- Indicators that were not validated through the benchmark analysis but that the SIPA Team recommended to remain in the matrix;
- New suggested indicators that the SIPA Team recommended for addition to the matrix for completeness and to capture key information.

Indicators that were not validated through the benchmark analysis but that the SIPA Team recommended to remain in the matrix

Although some indicators proposed by NESOL were not validated across the benchmarked organizations, these indicators are specifically relevant to CDBs and we agree that they should remain in the matrix. These indicators are the following:

- Part of OSCIP (Civil Society Public Interest Organization)
- System of data collection
- Frequency of collection
- Number of research, public, financial and third sector partnerships
- Number of awards, articles and citations
- Number of partner institutions making up the fund

Duplicated indicators

Three indicators (“Number of microenterprise training participants”, “Number of education course participants”, “Number female training participants”) are already captured under the Capabilities Development Axis. The rationale for keeping these indicators under Institutional Performance would be to keep the MIX indicators centralized for ease of reporting. The SIPA Team believes that this should be discussed further with the Instituto Palmas and the NESOL team.

New suggested indicators that the SIPA Team recommended for addition to the matrix for completeness and to capture key information

These are indicators that were not included in the initial matrix but were derived from the benchmarked institutions or their best practices.

| Indicator | Source | Description |
|---|-------------------|--|
| Number of strategic alliances | Cerise | Perhaps more general than the currently proposed breakdown, this indicator could be used as an umbrella and quick guide to gauge IP's partnership efforts. |
| Reimbursement rates | Mibanco | Beyond indicators capturing delayed debt and at risk portfolio, capturing the rates of reimbursement would be an important indicator of institutional performance. |
| Client retention rate | IRIS, MIX, Cerise | Capturing the yearly rate of client retention would be a good measure of the quality/relevance of the services offered by IP. |
| Market penetration | M-PESA | Beyond outreach to rural clients, IP should consider measuring market penetration of the products it offers. |
| Reducing cost strategy | Cerise | An important part of institutional performance (and the ability of an institution to serve poor clients) is its efficiency and efforts to reduce costs. An indicator capturing the existence and periodic readjustment of a cost minimization strategy would be an important addition. |
| Rate of urban vs. rural suppliers used | IRIS | Since institutional impact encompasses not only client access but inclusion, IP could consider adding an indicator capturing the rate of urban vs. rural suppliers it uses. |
| Staff breakdown by gender, race and age | Mibanco and Caixa | This measure would be an important reflection of the organization's efforts to promote equal opportunities among its staff. |
| Staff tenure | Mibanco | Instead of tracking the number of employees with >1 year of tenure, IP should consider tracking a breakdown of all its employees by tenure and/or temporary vs. long-term contracts. |
| Social responsibility to employees | Mibanco | Social responsibility to employees indicators such as: Health insurance coverage (IRIS, Cerise); Staff training hours (Cerise); Difference between minimum salary and salary offered. |

Additional Proposed Sub-Categories

- Product Quality indicators such as: Innovativeness of loan products (Cerise); Timely delivery of product (Cerise); Local adequation of services (Cerise);
- Client Protection indicators such as: Over-indebtedness measures (Cerise, IRIS); Interest rate transparency indicators (Cerise, MIX, IRIS); Client satisfaction surveys (Mibanco); Offer of emergency loans (Cerise);
- Client Participation indicators such as: Representation of clients in committees (Cerise); Effectiveness of participatory bodies (Cerise); Established channels to receive client feedback (Caixa, Mibanco);

- Certifications/Programs including: ETHOS and Millennium Objectives Program (see Caixa).

Final Remarks on the Axis

During the March Field Visit, the NESOL and SIPA Team agreed on the inclusion of the proposed indicators. Nonetheless, adjusting for the local context and capacity, several were modified or moved to a more appropriate axis. This discussion will be included under the title Final Remarks at the end of each axis.

The duplicated indicators mentioned above were discussed and it was agreed that they should stay under the Capabilities Development Axis and they were therefore eliminated from the Institutional Performance Axis. The SIPA recommendation of creating an indicator that will measure innovativeness of loan products was changed from being measured qualitatively (i.e. Very Innovative: 4, Somewhat Innovative: 3, Common: 2, Basic: 1) to total number of new products created. Furthermore, the proposed indicator “Existence of established channel to receive client feedback” was eliminated since the pure existence of a channel does not imply that the CDB is actually working towards improving the client’s issues. The indicator regarding the existence of an external watchdog system to capture client complaints was also eliminated since in Brazil, a system like that does not exist for MFIs, much less for CDBs that are not formally regulated institutions. Finally, the indicator regarding the composition of each CDB’s staff (whether the staff has part-time vs. full time contracts) was changed into a more relevant category, such as whether the staff comes from the community or outside of it.

5.4.2 Socioeconomic and Financial Inclusion Axis

a. Validation of the Axis

Axis

The research exercise performed by the SIPA Team shows that all five of the organizations that were studied in detail for the benchmarking analysis under this axis look at the socioeconomic inclusion effect of their programs. While not all of the organizations touched upon each of the macro-indicators proposed by the NESOL Team, there is a clear conception among them that promoting financial inclusion and education as well as boosting socioeconomic development for the poorest populations they serve is essential. The

organizations that were studied in this axis span the spectrum of organization types benchmarked and come from all around the world:

- 2 community organizations: One Acre Fund and Faces do Brasil
- 2 MFIs: Grameen and ProMujer
- 1 support organization: IRIS

The fact that they all assess some aspects of socio-economic inclusion validates the importance of the axis for CDBs.

Indicators

The indicators that are used by at least 60% of the benchmarked organizations fall under the following categories:

Promote financial inclusion and education of individuals and community enterprises

- Services for poor and extremely poor populations
- Services addressing gender inequality

Stimulate territorial (community-based) socioeconomic development

- Greater volume of resources in local businesses
- Increase, diversification and territorial decentralization of local businesses
- Increase of jobs offered within the community and the bank
- Strengthened link between youth and the community
- Increased autonomy to administer family income

This reaffirms the fact that the current matrix proposed for CDBs is following the best practices used by the organizations mentioned above.

Regarding the remaining indicators that are in the matrix but are not currently used by the studied organizations or are used only by one or two of them, the SIPA Team recommended keeping them since they are specific to CDBs and their mission. These indicators include those related to the circulation of the social currency, community involvement and perceptions of higher financial education or support derived from the access to credit.

b. Suggestions to the Axis

Axis

As seen above, the Socioeconomic and Financial Inclusion Axis is able to capture most of the indicators used by the benchmarked organizations. However, there are some indicators that would strengthen certain areas of the axis and shed more light on the impact that CDBs have on their clients, their households and their businesses. Specific proposed indicators are shown below.

Indicators

Indicators referring to the impact of IP activities on the community businesses

These indicators would fall under the macro-indicator “Increase, diversification, and territorial decentralization of local businesses”.

- Percentage of businesses that have increased working capital in the last year
- Percentage of businesses that have increased investment in the last year
- Percentage of businesses whose capital investment is greater than X amount

Indicators referring to the impact of the CDB activities on its clients or households

These indicators could fall under the macro-indicator “Increased autonomy to administer family income”.

- Percentage of client households experiencing improved living conditions
- Percentage of client households in which all minors receive medical attention
- Percentage of client households in which all minors attend school as a proportion of all client households with minors
- Percentage of client households experiencing food shortages within the last year

Indicator to measure the level of commitment from the community businesses receiving CDB support towards implementing the framework of the solidarity economy

This indicator could fall under the aspect “Economic movement of the community (production and consumption)”.

- Number of businesses committed to solidarity principles

Final Remarks on the Axis

It was agreed that the macro-indicator “Offer of financial and banking services using new technologies” should be moved from the Capabilities Development Axis to the Socioeconomic and Financial Inclusion Axis as it is the indicators that depend of it measure the capacity of all clients of the CDBs to gain access to financial services and not only those participating in specific projects.

Furthermore, the indicator recommended by the SIPA team regarding the percentage of businesses whose capital investment is greater than a certain amount, was eliminated due to the fact that business owners might not have this information at hand and might not be familiar with the terminology “capital investment”. However, the matrix includes other indicators suggested by the SIPA team that feasibly capture the growth of businesses in the community.

5.4.3 Capabilities Development Axis

a. Validation of the Axis

Axis

While conducting its research on practices by MFIs and NGOs around the world regarding programs to foster or develop poor beneficiaries’ capacities, the SIPA Team realized that most organizations that effectively monitor capabilities development do so through periodic evaluations of programs and not on a systematic basis.

These periodic evaluations of programs will generally source their data from experimental research approaches such as randomized control trials, which require significant resources, efforts and methodological structure.

In general, these evaluations respond to a very limited set of research questions such as “Has income for beneficiaries of a certain program increased relative to people who did not participate in the program?” but will not look at, for example, how the program was run or the organizational structure. Moreover, it will only evaluate one program the organization may be conducting out of tens or hundreds in which the organization may be involved.

The following four organizations represent the spectrum of approaches that currently exist: BRAC, Freedom from Hunger, One Acre Fund and IRIS. While BRAC evaluates its microfinance programs through periodic evaluations using randomized control trials, One Acre Fund (at the opposite side of the spectrum) has developed a systematic evaluation methodology that allows it to monitor on a regular basis its efforts towards developing the capabilities of its beneficiaries. The approaches utilized by IRIS and Freedom from Hunger fall somewhere between BRAC and One Acre Fund.

| | BRAC | Freedom from Hunger | One Acre Fund | IRIS |
|--|---|---|---|--|
| Methodology | <ul style="list-style-type: none"> Randomized control trials | <ul style="list-style-type: none"> Evaluation of poverty levels and "good life" | <ul style="list-style-type: none"> Measurement Indicators Progress reports Individual profiling | <ul style="list-style-type: none"> Standard Indicators |
| Data Source | <ul style="list-style-type: none"> Experimental data | <ul style="list-style-type: none"> Surveys | <ul style="list-style-type: none"> MIS | <ul style="list-style-type: none"> MIS |
| Description | <ul style="list-style-type: none"> Evaluates individual program effects on beneficiaries through research and quantitative intensive methods. Evaluations are directed to demonstrate an effect as well as identifying best replicable practices and models | <ul style="list-style-type: none"> Through questionnaires, identifies the elements that clients consider barriers to achieving a "better life" Identifies if programs/ interventions are allowing them to attain a better situation | <ul style="list-style-type: none"> Indicators focus on three core principles: Scalability, Impact, and Financial Return/Sustainability Semi-annual reports are mainly geared towards investors, donors, and other stakeholders | <ul style="list-style-type: none"> Initiative brought about by major players in the international development field Objective: provide a general platform of standardized practices to measure development program outcomes and impact |
| Quantitative? | High | Low | Medium | Medium |
| Systematic? | Low | Low | High | High |
| Applicable to CDBs Matrix? | ✗ | ✗ | ✓ (potentially) | ✓ (potentially) |
| Applicable to CDBs for other purposes? | ✓ | ✓ | ✓ | ✓ |
| Comments | <ul style="list-style-type: none"> CDBs could consider proceeding to this type of evaluation when designing new projects, as the evaluation has to be built into the project design | <ul style="list-style-type: none"> CDBs could use the FfH methodology and questionnaires when trying to identify population needs in order to design new financial products or adapt their services | <ul style="list-style-type: none"> CDBs could use this model to obtain feedback in order to adapt and/or improve existing products Allows showcasing to management, donors, and investors the social and economic benefits of IP in a more personal way | <ul style="list-style-type: none"> The overall take away is that IP and BP can use IRIS as a resource when considering specific indicators for focused and unique projects in the community |

Indicators

The indicators currently in the matrix are in line with those generally used by other microfinance organizations to measure specific programs but not programs in general. As the matrix should maintain the ability to capture as many different types of projects as possible, the SIPA Team would suggest a series of changes in order to allow this axis to be able to capture formal education programs, internship placement programs or any other programs that CDBs could develop in the future.

The logic behind the Capabilities Development Axis is to allow comparison of the subgroup of program participants to the average CDB client, but will not necessarily evaluate the programs per se.

Under the matrix, the idea is to understand:

1. How many clients have access to specific programs? (e.g. compare number of clients in programs to total number of clients)
2. What is the profile of beneficiaries of programs? (e.g. first time clients or long term clients)
3. Are clients who benefited from programs doing better on average than clients who did not participate in programs? (e.g. compare the average increase in income of project participants to the average increase in income of general portfolio clients)
4. Are clients who benefited from programs “better clients” for community development banks? (e.g. compare the average number of financial products a client that participated in a project has to the average number of financial products clients in the portfolio have)
5. Are clients who benefited from programs fostering a better community environment and creating opportunities for the community? (e.g. compare the number of employees of the businesses belonging to clients who participated in project to the number of employees of the businesses belonging to clients who did not participate).

b. Suggestions to the Axis

Axis

Currently the axis includes the following two aspects/expected results:

- Promotion of formal financial education
- Linkage of projects/programs to financial products and services

For completeness, the SIPA Team recommended that the axis include the following five expected results:

- Promotion of knowledge that strengthens capacity of individuals, especially from the most needy within a community
- Linkage of projects/programs to financial products and services
- Improvement of the institution through improvement of client situations (and alignment of programs with central values of the bank)
- Improvement of the community through the improvements of individual client situations
- Connect beneficiaries with capacity development tools and external resources.

Indicators

Following the five expected results proposed above, the indicators will be organized in order to respond to the questions set out above.

The SIPA Team recommended the addition of 23 new indicators that are relevant in measuring the results of the non-financial services of a CDB. These indicators were either taken from other organizations or inspired in the program evaluations read through the research process.

On the other hand, the SIPA Team suggested that the indicators presented under “Offering of financial and banking services using new technologies” should be removed from this axis because they are project specific to the MasterCard/Caixa project, the indicators proposed are directed at evaluating the project and, in any case, client usage of mobile technology is a measure of access that should be captured under the Socioeconomic and Financial Inclusion Axis.

Final Remarks

Overall, all the 23 indicators were agreed upon between the NESOL and SIPA team. Some of the modifications included changing the subject of the indicators from “Number of people...” to “Number of Businesses...” This is significant because, based on the limited capacity of the CDBs, currently only businesses receive individual training/workshops. “Number of women that participate in programs” and “Number of young people that participate in programs” were eliminated as these were already being captured in the same indicators quantified in percentage terms. Finally, indicators that attempted to measure the reach of the training programs in the community such as “Number of women participating in programs out of the total number of women in the community” and other demographic variations were validated in terms of their importance,

but due to the logistical difficulty of obtaining accurate and up-to-date data at the community/neighborhood level they were taken out of the matrix to be considered for periodic evaluations.

5.4.4 Social Ownership Axis

a. Validation of the Axis

Axis

Essential to the formation and management of a community development bank (CDB) is the element of social ownership.

“The community itself decides to create the bank, becoming its manager and proprietor.”²⁵

In this case, the “community” may be defined as a neighborhood association, local council, economic forum, labor union, non-profit organization, church, or other type of community-based association that has determined that a CDB is necessary and beneficial to the neighborhood or locality in question. The organizing entity will, at least initially, identify the mission of the CDB and the scope of its activities. Members of the community are often employed to manage the CDB’s operations. Although the extent of associational involvement in the operations of the bank may vary, the bank remains accountable to the community through mechanisms of “direct democracy” such as organization meetings, community meetings and performance and financial reports.²⁶

Another prominent aspect of social ownership related to CDBs is the extent to which the bank strengthens the associational capacity of the community in a kind of feedback loop. The SIPA Team found some evidence of this effect among more established CDBs during its visit to Fortaleza in January (2012). One CDB executive described how the CDB’s success attracted favorable political and media attention, which gave greater credibility to neighborhood leaders and resulted in more publicly funded projects within the neighborhood.²⁷ Another report indicated that “Banco Palmas strengthens the sense of community and belonging [in the neighborhood], creates spaces for participation and socialization between residents, and organizes the community to pursue its interests.”²⁸ By serving as a gathering place for the community, a laboratory for collaborative

²⁵ de Melo, Joaquim. “Community Development Banks: A Network Under the Supervision of the Community,” 2009.

²⁶ *Ibid.*

²⁷ Interview with Eudásio Alves, Banco Pajú (Maracanaú, CE - Brazil), January 13, 2012.

²⁸ Borges, Adriano. “Banco Palmas como uma plataforma de desenvolvimento comunitário,” in *Novos Paradigmas de Produção e Consumo*. Instituto Pólis: São Paulo, 2010.

project management and a stimulus to economic growth, the CDB has the potential to increase social cohesion and community participation in the development of the neighborhood.

One of the principal challenges of the Social Ownership Axis relates to the paucity of examples of Social Ownership models among organizations that measure performance and impact. Non-profit organizations are accountable to boards of directors that often have authority over strategic direction, executive-level personnel decisions, policies and procedures and major expenditures. Similarly, commercial banks are accountable to boards of directors and shareholders who actually own a stake in the bank's profits. It is not clear that it is either the intent or the experience of Brazilian CDBs to endow the community with this level of control.

However, some best practices with respect to monitoring governance were still identifiable among international monitoring organizations such as IRIS, CERISE, and the MIX as well as non-governmental Brazilian organizations including Saúde e Alegria, Movimento de Organização Comunitária (MOC), and Faces do Brasil.

Indicators

This section will discuss only those indicators that were recommended by the NESOL team and validated by virtue of their use by the aforementioned profiled organizations.

Expected Result: Increasing the Community's Visibility

- *Community negotiating capacity with respect to public authorities*

The indicator proposed by NESOL under this macro-indicator was "Number of public sector partners or investors" and was validated by CERISE, the microfinance knowledge network. The SIPA Team did not find that other organizations specifically tracked this indicator, but they generally report their operational and financial partners in publications and on websites.

- *Articulation to implement public services or equipment in the community*

The indicator proposed by NESOL under this macro-indicator was "Number of public services or equipment that resulted from the institution's intervention" and was validated by its use by the aforementioned community-based organizations in Brazil and Keystone, a foundation accountability organization. The fact that the Brazilian organizations tracked

this indicator demonstrates its particular relevance to community organizations that work with disenfranchised communities.

- *Institution's participation in community events and meetings*

The indicator "Number of times the institution participated in collective discussions" was validated by IRIS, CERISE and MOC. The number of events held by the institution in the community was validated by the Brazilian organizations. This suggests that the bank's proactive engagement of the community through events such as *feiras* (community fairs) is an important aspect of its identity as a community organization.

Expected Result: Participation of the Community in the Institution's Management

- *Public deliberation about the institution*

Two of the indicators proposed for this macro-indicator were validated by other organizations. The number of publications produced and distributed is tracked by Faces do Brasil. This indicator demonstrates the volume of informational materials the bank is publishing that could be used to promote discussion about its activities. The percentage of clients who indicate management's receptivity to complaints or suggestions is a best practice recommended by both Keystone and the World Bank. Although it could be equated to customer service, it is also an important measure of the CDB's responsiveness to its stakeholders.

Two additional indicators – "frequency of the bank's appearance on public meeting agendas" and "existence of a customer feedback mechanism" – were not explicitly validated by other sources, but the SIPA Team agrees that they should be included. This being said, under Social Ownership it would be important to determine if appropriate systems are in place in order to facilitate more frequent responsiveness to community concerns instead of client concerns. Measures relating to client concerns are captured under Institutional Performance.

b. Suggestions to the Axis

This section will discuss only address those additional indicators that are suggested by the SIPA Team in recognition of the unique circumstances and nature of CDBs.

Expected Result: Increasing the Community's Visibility

- *Community negotiating capacity with respect to public authorities*

Two indicators were recommended in order to more fully reflect the CDB's impact on the community's negotiating capacity. Keystone uses the indicator "Percentage of members of the

responsible community organization with respect to the prior year,” which demonstrates the growth of the community organization that is managing the CDB. The growth of the community organization’s membership enhances its voice among public authorities, as it becomes a more visible, representative entity in the community.

The indicator “Number of public policies adopted that benefit the community” seeks to capture the types of policies that may benefit a community that do not include specific services or infrastructure improvements such as tax or utility variances or other policies that may be negotiated. This indicator is utilized by the Brazilian community organizations and Keystone and, in conjunction with the public services obtained indicator, serves as the principal indicator of a community’s negotiating capacity with respect to the public sector.

Expected Result: Participation of the Community in the Institution’s Management

- *Community participation as workers in the institution*

The two indicators included in the matrix are actually supported, but with a modification. Both “Number of community members employed in management of the institution” and “Number of community members employed by the institution” should be changed to percentages in order to capture the community’s relative presence in and managerial control over the CDB.

- *Community participation in the planning and monitoring of the institution*

This new macro-indicator was proposed for the Social Ownership Axis in order to measure the degree of involvement in the CDB’s direction and oversight by members of the community who are not employed by the institution. As a critical element of the nature of a CDB, five indicators were suggested to ensure the vitality of social ownership of the CDB.

- “Number of community residents contributing to management of the institution through the community organization”

As the community organization remains the responsible entity for the CDB, it may utilize different processes for overseeing the bank’s activities. However, this indicator places value on the amount of community representation that is involved in these processes be they general assemblies, special committees, or special forums.

- “Number of organizations and local businesses contributing to the management of the institution through the community organization and the bank’s Board of Directors”

The diversity of organizational participants from within the community in the bank’s oversight enhances the social ownership of the CDB. It also demonstrates an increased social cohesion of the community as various entities collaborate to ensure the bank’s success. The existence of a Board of Directors would enhance the level of accountability of the bank’s management to the community and is a standard practice in both corporate and non-profit organizations.

- “Percentage of the bank’s services and projects that originated from community demand”

This indicator contemplates the community’s role in contributing to planning the bank’s activities in order to meet its own needs. The degree to which the community defines the types of services and projects offered by the bank is highly indicative of the social ownership of the CDB.

- “Average participation of women in the community’s oversight of the bank”

As a percentage of overall participation, the participation of women in community meetings and the bank’s board meetings indicates the inclusiveness of the community on a gender basis. IRIS, CERISE and the World Bank use this indicator in their monitoring processes to measure gender equality for projects that are intended to benefit an entire community.

- “Percentage of the institution’s capital that originates from the community”

Used by Keystone and the World Bank, this indicator demonstrates both the improved capacity of the community to contribute to social endeavors and the level of financial control the community exercises over the bank. From an institutional control perspective, the CDB is accountable to its funders and will respond to their needs.

- *Public deliberation about the institution*

The indicators suggested for this macro-indicator measure formal governance issues that are recommended for adoption by the CDBs to increase transparency, accountability, and social control of the organization.

- “Number of meetings held by the Board of Directors”

The creation and subsequent activity of a board of directors is recommended and specifically measured by IRIS, CERISE and Keystone, although most monitoring organizations will require evidence of board activity such as meeting minutes and rosters. An active board of directors will provide strategic guidance, access to capital and management oversight that can ensure the successful operation of the CDB.

- “Percentage of female members of the Board of Directors”

As was previously mentioned, the involvement of both men and women in the formal and informal management of the bank promotes responsiveness to the needs of all members of the community. IRIS and CERISE specifically track this indicator.

- “Number of social and financial performance reports submitted to the community and the Board of Directors for review”

The regular production of reports on the bank’s performance enables more informed governance of the institution by both the community and the board of directors. However, this indicator takes an additional step in measuring the actual presentation of these reports with the intention of transparency and accountability implying potential for feedback. IRIS, CERISE, and MIX monitor this indicator.

Final Remarks on the Axis

The recommended indicator “Number of meetings held by the Board of Directors” attempts to measure the number of times a formally establish board of directors meets in a given month. However, it was deemed that since no CDBs currently have a board of directors it would be more useful to change the indicator to identifying the “Existence of a board of directors,” with the choice to answer “Yes” or “No.” The indicator was also moved to the “Institutional Capacity” axis. For similar reasons, the other two indicators related to the board of directors, “Percentage

of female members of the Board of Directors,” and “Number of social and financial performance reports submitted to the community and the Board of Directors for review,” were eliminated.

New indicators were also elaborated during the NESOL-SIPA meetings in March, including “Existence of public space/forum for discussion” and “Average number of people participating in the public forum” disaggregated by gender to capture the participation of women.

Finally, the macro-indicator “Participation of the community in the planning and monitoring of the institution” was eliminated and its indicators were moved to the macro-indicator “Public discussion on the institution’s planning and monitoring.” The teams agreed that one macro-indicator was enough to gauge the level of community involvement, particularly due to the lack of a formal board of directors and other institutional capacity challenges.

5.5 Management Scorecard Development

A management scorecard is a strategic tool that provides information on key indicators for an organization in a visual, structured and systematized format. The purpose of the tool is to provide management with the information needed to take strategic decisions.

In the case of IP, building the management scorecard responds to the need of providing IP with a tool to systematically and regularly monitor progress towards achieving the specific objectives outlined under each axis of the M&E indicators thereby supporting the mission and vision of the CDBs.

The management scorecard will be primarily used by IP and the management of each of the CDBs where it gets implemented. Whereas the use of a management scorecard allows for an easier and clearer comparison among CDBs, IP’s main objective is not to compare the performance of the CDBs but to identify successes and challenges with regard to impact that will enable IP to provide more informed technical assistance as well as aggregate data from the CDB network for external communications.

The scorecard is organized based on the 4-axis matrix of indicators: Institutional Performance, Capabilities Development, Socioeconomic and Financial Inclusion, and Social Ownership. The SIPA Team recommends that IP use a different scorecard for each axis because the axes and their

indicators may have different audiences, reflect different realities, pursue different purposes and have different timing for data gathering. Nevertheless, given the needs of IP, the SIPA Team has developed a unique, succinct and consolidated management scorecard that blends key indicators from the four axes.²⁹

The elements of the Management Scorecard include Macro-indicators, Indicators, Targets, Initiatives and Results.

- Macro-indicators and Indicators are taken directly from the matrix. These are the overall objectives and the way to measure them.
- Targets are time-specific outcomes that each CDB can set. These are usually numeric, achievable and adjusted based on performance.
- Frequency refers to how often the indicator is measured: monthly, semi-annually, yearly, etc. The indicators that are not measured on a monthly basis will require further discussion for their implementation.
- Initiatives are specific activities undertaken by the CDB to achieve the targets. These initiatives should be part of an action plan and be assigned to a specific team/person who is accountable for reaching the defined targets.
- Results show how much of the target the CDB has achieved in the particular timeframe on which the indicator is measured.

²⁹ Please see Annex 4: Management Scorecards in page 125

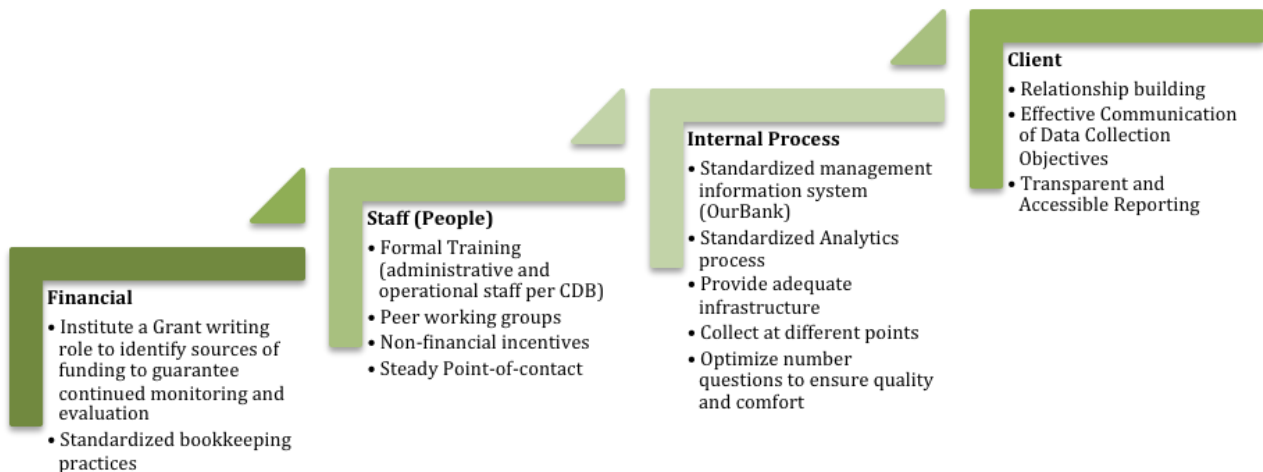
6 Implementation Plan & Recommendations

Through the benchmarking analysis, the SIPA Team identified best practices to complement the work of the NESOL Team in the design, use, and analysis of a matrix of indicators to measure the impact and overall performance of the Brazilian Community Development Banks (CDBs).

After meeting with the NESOL Team during the second field visit, it became clear to the SIPA Team that one of the most important next steps would be the pre-testing of the matrix of indicators by NESOL in June 2012. NESOL will carry out the pre-testing exercise through a three-pronged approach: 1) internal capacity assessments of IP/BP, 2) the use of questionnaires/surveys, and 3) focus groups. Once NESOL checks the availability of information through all existing sources, as well as the feasibility of gathering additional types of information, this feedback will be used to edit the matrix, leaving the most relevant and useful indicators in the final set. The following implementation plan relates to the stage following the pre-testing.

Moreover, after several meetings with the operators of IP's management information systems, the SIPA Team reached the consensus that the technical capacity of the systems will not be an issue, as they can accommodate growing requests and needs. Thus, technology will not be the focus of the implementation plan as was previously anticipated. A set of recommended pre-conditions will be suggested based on the internal capacity of CDBs to ensure the appropriate implementation of the monitoring system and its matrix of indicators.

In order to present a comprehensive implementation plan, the following framework will be utilized, which takes into account all aspects of the CDBs: Clients (Beneficiaries), Internal Process, Staff/People (Learning and Growth), and Financial, which all build on one another. Therefore, the implementation plan will include initiatives, actions, and efforts related to each aspect.



6.1 Financial resources allocation

As social enterprises, CDBs have a dual nature, applying commercial principles to achieve social ends. Even though financial objectives are not and should not be the main goal of CDBs, the implementation process should consider the financial constraints that the CDBs may face. The successful implementation of the matrix of indicators relates to the financial viability to carry out successfully, among many other things, the proper human resources training (People/Staff), and the acquisition, maintenance and use of the current or future management information system (Internal Process) to ultimately reach the client effectively (Clients/Beneficiaries).

- **Institute a Grant Writing Role.** This recommendation is currently directed to Instituto Palmas. As CDBs become increasingly financially independent from IP, proactive efforts to sustain all aspects of the institutional performance of the CDB should be carried out. The main objective is to identify sources of funding to guarantee continuous monitoring and evaluation and capacity building efforts of IP. This includes a staff member responsible for grant writing, identifying sponsorship opportunities, awards, and other sources of funding.
- **Standardized Bookkeeping.** Standardizing financial records across the network of CDBs will not only facilitate technical assistance and implementation of sound financial management, but will strengthen the monitoring and evaluation efforts of IP. Technical assistance may be necessary to achieve standardization among low-capacity banks.

- **Financial Incentives to M&E.** Instituto Palmas, as the support organization, can work towards institutional behavioral change by promoting a culture of continuous monitoring and evaluation. One strategy includes working with donors to use conditions for funding that encourage CDBs to perform data collection, monitoring and evaluation.
- **Profit Reinvestment Plan.** In coordination with its community, each CDB should develop a Profit Reinvestment Plan that outlines how it will use profits to sustain bank activities as well as benefit the community. The plan should be revisited semi-annually to ensure greater social ownership and social impact of the bank.

6.2 *People/Staff training: learning and growth*

The primary limitations regarding implementation of the matrix will be internal to each CDB – including limitations in human resources. For this reason, human resources management will be crucial for the effective implementation of the proposed matrix of indicators.

- **Formal Training on Matrix Use.** CDB management and the staff responsible for the data gathering should receive formal training on the matrix and the existing management information system (whether SIP/Web or OurBank). The primary objective will be to educate CDB management on:
 - *Matrix objectives:* what it's trying to capture, why it is important for the CDB, and how it can help the CDB monitor progress towards its vision.
 - *How to use the matrix:* training on what the various indicators mean, how to calculate them, how to collect data, how to properly record it, how to analyze it, and how to use the IT systems in place.

Depending on resources, these trainings could be organized locally, in small groups of five CDB managers, at the launch of the M&E program after pre-testing.

- **Semi-annual Peer Working Groups.** As a way of bringing the CDBs together and helping managers learn from one another, IP should facilitate a semi-annual working group in which CDB staff would share success stories and lessons learned, troubleshoot and discuss the progress of their CDBs towards achieving greater social impact as captured through the results of the matrix.

- **Non-financial Incentives.** In order to incentivize CDB management to perform the monitoring regularly and effectively, IP should set some non-financial reward mechanisms into place. These could include nominations for “best CDB of the month”, recognition in articles or publications, or perhaps the chance to win prizes such as a free hour of advertising through a “*carro de som*” (sound car). The non-financial incentives could be designed in conjunction with each member community of the CDB network.
- **Monitoring and Technical Assistance Staff.** In order to better assist CDB management in the implementation of the matrix, IP should designate an internal contact person (CDB support staff), available to answer CDB questions in a timely manner. Ideally, this person would also be responsible for coordinating training of CDB staff. This staff person would also be responsible for receiving and tracking CDBs’ monthly scorecards and following up with them in the case of delay. In addition, this person would maintain matrix guidelines and historical data for the CDB network.

6.3 *Internal process design*

Following conversations with the designers of both SIP/Web and OurBank, which are both able to provide management information systems that have no capacity constraints for the implementation of the matrix of indicators, the internal CDB capacity and processes represent the main challenges to overcome for the effective implementation of the matrix. Standardized and efficient processes will maximize the use of the tool.

- **Standardized Management Information System.** Once the NESOL Team has pre-tested the indicators and decided which indicators are most feasible and relevant to keep in the matrix, then these will need to be incorporated into the management information system. Each CDB should input its data at least weekly. In this way, IP can monitor the operations of all CDBs. Since the matrix will allow the network of CDBs to report on the same type of information, IP will standardize its monitoring efforts.
- **Standardized Analytics Process.** Each CDB should analyze the valuable information provided by the indicators. For internal monitoring, a member of the CDB management team should be in

charge of regularly completing the Management Scorecard and reporting the results to the rest of the CDB management and Instituto Palmas on at least a monthly basis. By using the Management Scorecard as the skeleton for the analysis, all CDBs will be reporting on similar information, which makes their regular monitoring easier for them as well as IP. It is important to point out, however, that given the level of in-depth and rich information captured by the full matrix of indicators, each CDB should be free to thoroughly analyze any other indicators that are not part of the Management Scorecard so as to monitor their internal performance.

Additionally, the Management Scorecard should be utilized in such a way as to provide the maximum value ease of use for the CDBs. For this reason, two versions of the scorecard are presented – one very simple spreadsheet and another more comprehensive with graphical displays to highlight key topics. As mentioned above, IP will need to ensure CDB staff capacity to use either type of scorecard.

For program evaluation processes and impact assessment studies, it is recommended that an external researcher take the lead in performing the analysis of indicators in order to ensure transparency and overall reliability. This impact assessment could be performed on a specific project such as *Projeto Elas*, or on a particular axis or subset of the indicators. IP and each CDB should leverage the flow of qualified researchers that are interested in conducting studies on CDBs in order to better understand the various areas of operations.

- **Provide Adequate Infrastructure.** In order to more accurately capture clients' information during the credit application process, each CDB should put into place separate cubicles where the agents can interview one client at a time with more privacy. The idea is that the information given by one client will not be heard by others, and in this way, the veracity of their answers will not be compromised. Clients should feel that any information they provide is confidential between them and the CDB and feel comfortable when providing any information.
- **Collect Information at Different Points.** In order to properly feed the matrix of indicators, vast amounts of information are needed from the clients that can cause client fatigue. Even if willing to participate in focus groups or interviews, their answers might not be as complete as desired due to the length of these questions and the amount of time devoted to answering them. Therefore, each CDB should strategically divide the collection of information into different

points in time. For instance, the baseline of socioeconomic information can still be gathered at the moment of credit application. Other questions regarding the progress of the socioeconomic status of CDB clients can be asked through yearly visits, as well as through more innovative means such as mobile phone surveys. Furthermore, credit agents can leverage the time they spend visiting clients to ask other questions needed to feed the matrix.

- **Optimize Number of Questions to Ensure Quality and Comfort.** With the same logic, in order to avoid client fatigue in data gathering, IP should optimize the number of relevant questions to ensure the quality of information gathered and the comfort of its clients. The pre-testing of indicators to be performed by the NESOL Team will provide insight into the amount of questions that are feasible to ask in any given setting. After this exercise has taken place, each CDB should use its own discretion as to how many questions to ask and prioritize time with its clients.

6.4 Focus on Clients and beneficiaries

Clients, or beneficiaries, are not necessarily an internal aspect of the implementation strategy for CDBs. However, the implementation process should be aligned to beneficiaries' preferences, needs, and potential role in the data gathering and collection efforts. The effective use of the matrix is contingent on the capacity of the CDBs to gather accurate information. Among the sources of information feeding the matrix are the clients, either collected through the day-to-day operations of the bank or credit agent visits, as well as through more extensive methods such as surveys, questionnaires, or focus groups. In this aspect of the implementation strategy, no concrete pre-conditions can be explicitly suggested. Nonetheless, there are some overall recommendations that can be followed by the CDBs to ensure an appropriate development of the action plan.

- **Client Relationship Building.** In order to obtain accurate information, there should be an understanding from the part of the administrative staff on the importance of building a relationship with the client. A working example is that of the agent participation in "*Projeto Elas*." While this may be operationally difficult due to the costs involved, formal training or seminars should be given to credit agents in order to ensure rapport building.

- **Continued Financial Education Efforts.** By educating clients on credit-worthiness and the importance of tracking expenditures and income, the CDB benefits from a more informed and knowledgeable client who can report more accurately on his/her financial situation. Better management of household finances will also reduce risk in the CDB's portfolio.
- **Partnerships with Other Organizations.** Each CDB should identify local partners that can provide financial and entrepreneurial training to its clients. This will reduce the cost of building client capacity and will generate more community solidarity.
- **Effective Communication of Data Collection Objectives.** Continuous communication with clients on the objectives of data gathering can ameliorate client fatigue and encourage the clients to share information. This can be done on a one-on-one basis or as a CDB campaign (flyers, posters, client feedback incentives, raffles, etc.).
- **Transparent and Accessible Reporting.** The matrix contains indicators that track the timely reporting of the banks' performance. Shorter, simpler versions of these reports should be made available to clients at the bank to increase their familiarity with the bank's operations and the people it serves. Within the reports, information on the typical client, the distribution of the clients, and other background characteristics can perhaps communicate to the clients that they are the focus and core of the bank's mission. Each CDB should also ensure regular reporting on bank performance and community impact at community meetings (e.g. FECOL and ASMOCONP at Banco Palmas).

6.5 Beyond M&E: general strategic recommendations

The following recommendations are intended to reinforce the efforts of Instituto Palmas and the Brazilian CDBs to adhere to first principles as outlined by the four axes of the M&E matrix.

Social Ownership

- **Keep innovating products and processes depending on the needs of the clients.** Each CDB should monitor the needs and demands of its clients and ensure that its products are in fact meeting the clients' needs. Innovation is key in this aspect. As soon as a CDB identifies the need for a new product by a significant percentage of not only its clients but the community it serves

as a whole, it should work on developing the product and test it with its clients. Processes, especially credit lending processes, may also need to be adjusted depending on the context and clientele (e.g. rural/urban).

- **Resolve issues that arise from the client satisfaction assessment.** The purpose of conducting regular assessments on client satisfaction is not only for the CDB to be aware of how they are doing on their operations but also to improve their services. As soon as a CDB identifies an issue, management should revise the source of the problem and take actions to fix the issue at hand.
- **Prioritize regular community meetings that include performance reports and planning.** CDBs should participate in or host regular (e.g. monthly, quarterly) community meetings at which informed discussion of bank performance and services can occur. Such meetings should provide opportunities for community members to provide input into bank operations, especially with regard to product and program offerings.
- **Institute a Board of Advisors.** In order to enhance the community ownership and the accountability aspects of the CDB, a Board of Advisors should be implemented at each CDB. Members of the board could be elected by the community organization responsible for the bank or by the community at large. The board would provide guidance and accountability to the bank's management, particularly related to finances and community impact, but would be distinct from a Board of Directors, which would have authority over organization executives.

Socioeconomic and Financial Inclusion

- **Facilitate connections of the value chain within the community.** Each CDB should proactively identify opportunities for local entrepreneurs to work together whether through solidarity economy forums, special training events, or other means. The bank is a critical nexus for the local economy and it should leverage its strategic connection to local producers to enhance the "solidarity" aspect. For example, the production/consumption mapping exercise could be used to identify gaps in goods and services provided within the local economy. Entrepreneurial training offerings and targeted credit lines could then be utilized to develop this segment of the economy and more effectively meet the needs of the community.

- **Consider the implementation of the Progress Out of Poverty Index (PPI) to have a better measurement of clients' conditions and how they overcome poverty.** The PPI developed by CGAP, Grameen and the Ford Foundation contains globally comparable client-level indicators. These country-level “poverty scorecards” have been developed for more than a dozen countries including Brazil. With a questionnaire of only 10 questions, a member of IP could visit client homes and obtain answers to the questions. Actual scores for all responses are written down and averaged for all clients. These scores are then compared with a previously constructed “poverty likelihood” table to determine the percentage of clients falling below the poverty line. This is done with the idea that if the same clients are surveyed after a certain period of time, the percentage falling below the poverty line would be less than before if services are effective. With the implementation of the PPI, more detailed information regarding the impact of the CDB’s activities on the lives of its clients or families could be obtained. Furthermore, the CDB could use the PPI as a way to assess where its clients fall in terms of poverty levels compared to other people receiving similar services around the world. However, before utilizing the PPI, the CDB should assess its own capacity to commit the resources and time that such a tool requires.

Capabilities Development

- **Develop capacity-building programs in response to community demands and needs.** Similar to the demand-driven provision of products and services, training opportunities should be identified according to needs and demands of the community and strategically linked to enhancing client capabilities or the growth of the local economy.

Institutional Performance

- **Establish a 3-year business plan to be reviewed semi-annually.** Both IP and the CDBs would benefit from implementation of medium-range organizational planning that details mission, objectives, financial plans, community engagement, marketing and monitoring and evaluations plans. These plans could be reviewed with the community and other key stakeholders on a semi-annual basis to promote accountability and effectiveness.
- **Develop a clear organization chart and job descriptions.** Related to the establishment of business plans, each CDB should develop and disseminate among its staff a human resources management plan that includes clear job descriptions, policies and procedures and organization

charts as appropriate. Implementation of the new monitoring and evaluation tools is an opportune moment to clearly define roles, objectives and expectations.

7 Next Steps

Beyond the indicator best practices identified while performing the benchmark study, the SIPA Team also identified other managerial and product best practices that it would like to share with Instituto Palmas. These recommendations are presented with the intention of fostering future discussions regarding the projects to which Instituto Palmas could dedicate its resources once the M&E system has been tested, implemented and operationalized.

First of all, many development institutions and funders stressed the importance of verifying that organizations they work with have written and installed solid Internal Codes of Conduct and Processes. In the case of microfinance institutions, development organizations and funders particularly look at process to enhance governance around internal controls, credit non-repayment policies and the incentive structure for credit officers implemented by the MFI. During their due-diligence analysis, funders will look for the formal description as well as informal confirmation through interviews with MFI staff and clients. At this stage, any effort Instituto Palmas can make to develop its strategy and role vis-à-vis CDBs would be a first step in this direction, which should be further pursued by defining roles and policies within CDBs and regarding CDB interactions with Instituto Palmas.

Additionally, in order to better rationalize and optimize the temporary resources available to Instituto Palmas from academic institutions, volunteers and researchers, Instituto Palmas could create a “Knowledge Center” in charge of designing an Action Plan and prioritization of “to do’s”. The Knowledge Center would proactively develop a list of priority research areas and priority projects that would effectively lead academic institutions, volunteers and researchers to align their work with Instituto Palmas priorities. The implications of this design are twofold:

- Issue calls for proposals for new projects, knowledge and skills in line with the priorities of Instituto Palmas that would include, but not be limited to, a standardized template for each project with scope, deliverables, worker qualifications needed, and expected hours of work.
- When necessary, target grant financing for specific and defined projects from research institutions and donors to support researchers and volunteers.

By implementing such a Knowledge Center, Instituto Palmas would receive the best results from its time investments while developing a consistent database of projects and needs that could be shared with all the CDBs in the network. This model has been implemented by many NGOs and MFIs, from BRAC and Grameen to One Acre Fund and has been proven to be successful both for the host organization and the visiting researchers or volunteers.

As discussed above, the NESOL Team will conduct pre-testing of the matrix of indicators during Summer 2012 followed by the first evaluation of CDBs in Fall 2012. The SIPA Team expects that follow-up assessments will be necessary one to two years after implementing the M&E system to measure impact over time and evaluate the effectiveness of the system itself.

Instituto Palmas is experiencing phenomenal growth among its network of community development banks. The organization's rapid growth has outpaced its capacity to measure, and possibly ensure, all of its desired outcomes. Yet, it is important to note that the first bank in the network, Banco Palmas, was only founded in 1998. The creation and subsequent implementation and utilization of the robust monitoring and evaluation system proposed by this study will contribute to the efforts of Instituto Palmas and its network of CDBs to maximize social impact and the fulfillment of the solidarity economy vision.

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Annex 1: Benchmark Mapping Exercise

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Mapping Categories

| | | | | | | | | | A. Organization Strategy | | | | B. Geographical Presence | | | |
|----------|-----------------------------|---------------------|---------------------|------------------------|---|--|--|---|--------------------------|--|--|-------------------------------|--|--|-----------------------------|----------------------|
| Org Name | Relevance to Brazilian CDBs | Overall Feasibility | Org has social ind? | Org has financial ind? | Org Type | Governance Approach | Operational Approach | Legal Framework | Mission | Area of focus | Distribution channels | Planning Approach | Target Area | Regions of operation | Operations in Latin America | Operations in Brazil |
| | | | | | 1 - Financial Inst 2 - Community Org 3 - Funder 4 - Investor 5 - Support Organization | 1 - Highly Traditional 2 - Traditional 3 - Non-traditional | 1 - Highly Traditional 2 - Traditional 3 - Non-traditional | 1 - NGO 2 - For profit org 3 - Association 4 - N.A. 5 - Private corporation 6 - Public corporation 7 - Fund 8 - Coop | | 1 - Agriculture 2 - Energy/Environ 3 - Health 4 - Gender 5 - Finance/Econ Dev 6 - Education 7 - Infrastructure 8 - Multiple | 1 - Traditional 2 - Alternative but proven 3 - Combination of channels 4 - Innovative | 1 - Top-down 2 - Bottom-up | 1 - Local 2 - Regional 3 - National 4 - International | 1 - Latin America 2 - USA & Canada 3 - Europe 4 - Asia 5 - Africa 6 - Middle East 7 - Several 8 - Worldwide | 1 - Yes 2 - No | 1 - Yes 2 - No |

| C. Sources of Capital | | | | | | | | | D. Beneficiaries Profile | | | | | | |
|-----------------------|------------------------|--------------------------|---------------------|---------------------|---------------------|------------------------|-------------------|-------------------|--|---|--|--|----------------------|---|--|
| Grants | Equity/capital markets | International Dev. Banks | Regional Dev. Banks | National Dev. Banks | Government programs | International programs | Other donors | Revenues | Gender | Income | Urban/rural | Age | Professional profile | Access capacity | |
| 1 - Yes 2 - No | 1 - Yes 2 - No | 1 - Yes 2 - No | 1 - Yes 2 - No | 1 - Yes 2 - No | 1 - Yes 2 - No | 1 - Yes 2 - No | 1 - Yes 2 - No | 1 - Yes 2 - No | 1 - Women 2 - Men 3 - No strict policy but women | 1 - Extreme poor 2 - Poor 3 - Non-Poor 4 - All 5 - No strict policy but generally urban 6 - No strict policy but generally rural | 1 - Urban 2 - Semi-urban 3 - Semi-rural 4 - Rural | 1 - All 2 - Youth 3 - Seniors 4 - Adult | | 1 - Strong 2 - Medium 3 - Low 4 - None | |

Annex 1: Benchmark Mapping Exercise

| Org Name | Relevance to Brazilian CDBs | Overall Feasibility | Org has social ind? | Org has financial ind? | Org Type |
|-----------------------------------|-----------------------------|---------------------|---------------------|------------------------|--|
| | | | | | <i>1 - Financial Inst</i> <i>2 - Community Org</i> <i>3 - Funder/Investor</i> <i>4 - Support Organization</i> <i>Other</i> |
| Accion | High | High | Yes | Yes | 1 - Financial Inst |
| Banco da Familia | High | Low | No | No | 1 - Financial Inst |
| Banco do Brasil | Low | Medium | No | Yes | 1 - Financial Inst |
| Banco do Empreendedor | High | Medium/low | No | Yes | 1 - Financial Inst |
| Banco Postal | Medium | Low | unknown | unknown | 1 - Financial Inst |
| Banco Solidario | Medium | Medium | unknown | Yes | 1 - Financial Inst |
| BancoSol | Medium | High | Yes | Yes | 1 - Financial Inst |
| Bradesco | Low | Medium | No | Yes | 1 - Financial Inst |
| Caixa Economica Federal (Caixa) | High | High | unknown | Yes | 1 - Financial Inst |
| Contactar | Medium | Medium | unknown | Yes | 1 - Financial Inst |
| CrediAmigo | High | High | Yes (basic) | Yes | 1 - Financial Inst |
| CrediAMIGO/Banco do Nordeste | High | High | Yes | Yes | 1 - Financial Inst |
| Crediflorida | Medium | Medium | Yes | Yes | 1 - Financial Inst |
| Credito Solidario (Banco do Povo) | High | Low | No | unknown | 1 - Financial Inst |
| CreSol Baesr | High | Medium/Low | unknown | Yes | 1 - Financial Inst |
| CreSol Central | High | Medium | unknown | Yes | 1 - Financial Inst |
| FONDESURCO | Medium | Medium | Yes | Yes | 1 - Financial Inst |
| Grameen | High | High | Yes | Yes | 1 - Financial Inst |
| Grameen | High | High | Yes | Yes | 1 - Financial Inst |
| Itau Unibanco | Low | Medium | No | Yes | 1 - Financial Inst |
| MiBanco (Peru) | Medium | High | Yes | Yes | 1 - Financial Inst |
| ProMujer (Peru and Bolivia) | High | High | Yes | Yes | 1 - Financial Inst |
| Santander Brazil | Low | Medium | No | Yes | 1 - Financial Inst |
| Santander Microcredito | High | Low | No | Some | 1 - Financial Inst |
| Sao Paulo Confia | High | Low | No | No | 1 - Financial Inst |
| São Paulo Confia | unknown | Low | unknown | unknown | 1 - Financial Inst |
| Sembrar Sartawi | Medium | Medium | Yes | Yes | 1 - Financial Inst |
| Tribanco | Medium | Medium | Yes (access) | Yes | 1 - Financial Inst |
| VisionFund | Medium | Medium | Yes | Yes | 1 - Financial Inst |
| Ação Comunitária do Brasil - RJ | High | High | Yes | unknown | 2 - Community Org/NGO |
| Acao Moradia | Medium | Medium | Yes | unknown | 2 - Community Org/NGO |
| Agencia Mandalla | Medium | Medium | unknown | unknown | 2 - Community Org/NGO |
| AgroInvest Montenegro | High | Low | unknown | Yes | 2 - Community Org/NGO |
| Alianca Empreendedora | Medium | Medium | Yes | unknown | 2 - Community Org/NGO |
| Barefoot College | Medium | Low | Yes | Yes | 2 - Community Org/NGO |

Annex 1: Benchmark Mapping Exercise

| Org Name | Relevance to Brazilian CDBs | Overall Feasibility | Org has social ind? | Org has financial ind? | Org Type |
|--|-----------------------------|---------------------|---------------------|------------------------|--|
| | | | | | <i>1 - Financial Inst</i> <i>2 - Community Org</i> <i>3 - Funder/Investor</i> <i>4 - Support Organization</i> <i>Other</i> |
| BRAC | High | High | Yes | Yes | 2 - Community Org/NGO |
| CAEPS (Centro de Apoio à Economia Popular Solidária) | High | Low | unknown | unknown | 2 - Community Org/NGO |
| CARE Brasil | High | High | Yes | Yes | 2 - Community Org/NGO |
| CISC | Low | Low | unknown | unknown | 2 - Community Org/NGO |
| COMSAUDE (Comunidade de Saúde, Desenvolvimento e Educação) | High | Medium | unknown | unknown | 2 - Community Org/NGO |
| Faces do Brasil | High | High | Yes | Yes | 2 - Community Org/NGO |
| Freedom From Hunger | High | High | Yes | Yes | 2 - Community Org/NGO |
| Harlem's Children Zone | Low | Medium | No | No | 2 - Community Org/NGO |
| Instituto Chapada | Low | Medium | unknown | Yes | 2 - Community Org/NGO |
| Instituto Noos | Low | Medium | Yes | unknown | 2 - Community Org/NGO |
| Instituto Patricia Galvao | Low | Medium | unknown | unknown | 2 - Community Org/NGO |
| Landesa | Medium | Medium | No | Yes | 2 - Community Org/NGO |
| Mais Diferencas | Low | Low | unknown | unknown | 2 - Community Org/NGO |
| Movimento de Organização Comunitária (MOC) | High | High | Yes | Yes | 2 - Community Org/NGO |
| Museu da Pessoa | Low | Low | unknown | unknown | 2 - Community Org/NGO |
| One Acre Fund | Medium | High | Yes | Yes | 2 - Community Org/NGO |
| PATH | High | Low | Yes | Yes | 2 - Community Org/NGO |
| PEKKA | High | Medium | Yes | Yes | 2 - Community Org/NGO |
| Practical Action | Medium | Low | No | Yes | 2 - Community Org/NGO |
| Progressio | Medium | Low | No | Yes | 2 - Community Org/NGO |
| Projeto Bagagem | Low | Medium | unknown | unknown | 2 - Community Org/NGO |
| Reporter Brasil | Low | Medium | Yes | unknown | 2 - Community Org/NGO |
| Saude e Alegria (CEAPS) | High | High | Yes | No | 2 - Community Org/NGO |
| SPVS | Low | Medium | Yes | Yes | 2 - Community Org/NGO |
| Viracao | Medium | Low | Yes | unknown | 2 - Community Org/NGO |
| Viva Rio | Medium | Low | Yes | Yes | 2 - Community Org/NGO |
| Water for People | Low | Low | Yes | Yes | 2 - Community Org/NGO |
| Bamboo Finance | unknown | Low | No | No | 3 - Funder/Investor |
| BID | High | High | Yes | Yes | 3 - Funder/Investor |
| Blue Orchard | High | Medium | Yes | Yes | 3 - Funder/Investor |
| FMO | Low | Low | Yes | Yes | 3 - Funder/Investor |
| Global Partnerships | Medium | Medium | No | No | 3 - Funder/Investor |
| Incofin | Medium | Medium | Yes | Yes | 3 - Funder/Investor |

Annex 1: Benchmark Mapping Exercise

| Org Name | Relevance to Brazilian CDBs | Overall Feasibility | Org has social ind? | Org has financial ind? | Org Type |
|---------------------------------------|-----------------------------|---------------------|---------------------|------------------------|--|
| | | | | | <i>1 - Financial Inst</i> <i>2 - Community Org</i> <i>3 - Funder/Investor</i> <i>4 - Support Organization</i> <i>Other</i> |
| Multilateral Development Banks | Medium | High | Yes | Yes | 3 - Funder/Investor |
| Root Capital | Medium | Medium | Yes | Yes | 3 - Funder/Investor |
| ACCION | High | High | No | Yes | 4 - Support Organization |
| Ashoka | Low | Medium | Yes | Yes | 4 - Support Organization |
| Cerise | High | Medium | Yes | No | 4 - Support Organization |
| CGAP | Medium | Medium | Yes | Yes | 4 - Support Organization |
| Endeavor | Medium | Low | Yes | Yes | 4 - Support Organization |
| FINCA | Medium | Medium | No | No | 4 - Support Organization |
| Microcredit Summit | Medium | Low | No | No | 4 - Support Organization |
| SEEP | High | Medium | Yes | Yes | 4 - Support Organization |
| The Smart Campaign | Medium | Low | No | Yes | 4 - Support Organization |
| WWB | Medium | Medium | No | No | 4 - Support Organization |
| M-KESHO (SAFARICOM) | High | High/Medium | unknown | unknown | Other - Corporation |
| Rede Asta | High | Medium | unknown | Yes | Other - Corporation |

Annex 2: Benchmark Deep-Dive Profiles

Financial Organizations (Banks/MFIs/Cooperatives)

1. BancoSol
2. BRAC
3. Caixa Econômica Federal
4. Grameen Bangladesh
5. M-Kesho
6. MiBanco
7. ProMujer
8. Sembrar Sartawi

Community Organizations

9. Faces do Brasil
10. IRIS
11. Movimento de Organização Comunitária
12. One Acre Fund
13. PATH
14. Saúde e Alegria
15. Viva Rio

Donor/Support Organizations

16. Blue Orchard
17. Cerise
18. CGAP
19. FINCA
20. Freedom from Hunger
21. Incofin
22. Mix

Organization Name: BancoSol
Geographical presence: Bolivia
Type of organization: Commercial Bank
Website: www.bancosol.com.bo



Demographics

- Foundation year: 1992
- Country of origin: Bolivia
- Presence: 8 cities, +100 branches
- Num. Employees: 1,663 (2010)
- Gross Loan Portfolio: \$439.8 Million (2010)
- Number of active borrowers: 145,608
- Average loan balance per borrower: \$3,020.7 (2010)
- Assets: \$585.8 (2010)
- Deposits: \$420.1 million (2010)
- Number of depositors: 414,154 (2010)
- Capital/asset ratio: 7.5% (2011)
- Debt to equity ratio: 12.3% (2011)
- Deposits to loans: 93% (2011)
- Deposits to assets: 76.6% (2011)
- ROA: 1.7% (2011)
- ROE: 22.74%
- Female borrowers: 48.1%

In 1992, PRODEM joined with ACCION International, Calmeadow Foundation, Bolivian banks and other investors to establish BancoSol, the first private commercial bank in the world dedicated exclusively to microenterprise.

In 1997, it became the first MFI in history to issue dividends to shareholders. With first loans as low as \$50, BancoSol reaches the poorest of the economically active population. Half of its active clients are women and work as market vendors, seamstresses, bakers, candy makers and others.

BancoSol essentially bases its lending methodology on individual credit technology. Microcredit loans have terms between 1 up to 60 months and 120 for micro housing loans. Loans can be used for working capital, investment purposes on productive assets. Clients are self-employed micro-entrepreneurs that have a minimum of one year of experience in their current occupation. Annual interest rates round between 12% and 22% at the end of 2007. Today, BancoSol in credits has different products in order to give customers what they need. That's why, BancoSol offers a full portfolio of non credit products: Microinsurance (Life, Accident, Health, Portfolio, Funeral Expenses), Utilities collections, Wire Transfers, Debit Cards, ATMs, housing credits for Bolivian migrants, International Wires and Warranties

Mission/Vision/Values

Mission: We are a bank that offers opportunities to the lowest-income sectors for a better future, providing them high-quality, integrated financial services

Vision: To be a leader, a point of reference and an innovator in microfinance on the local and international markets, favoring the development, progress and quality of life of lower-income sectors

Values:

- **Customer Service**
A highly respectful and efficient attitude.
- **Integrity**
We offer security through honest and integrated actions.
- **Reciprocity**
We take account of ourselves and others, keeping in mind that "we grow together".
- **Responsibility**
Timely compliance with all our commitments.
- **Coherence**
We are consistent with what we say.
- **Commitment**
Ongoing self-improvement as a basis for overall progress.

Annex 2: Benchmark Deep Dive Profiles

Program Growth:

| Year | Active Portfolio | Amount Loaned | Active Borrowers | Average Loan Balance |
|------|------------------|---------------|------------------|----------------------|
| 2002 | \$80,917,000 | \$64,761,000 | 42,290 | \$1,913 |
| 2003 | \$91,175,000 | \$73,476,000 | 42,831 | \$2,129 |
| 2004 | \$108,559,700 | \$90,440,669 | 51,996 | \$2,088 |
| 2005 | \$130,106,032 | \$105,458,111 | 61,707 | \$2,108 |
| 2006 | \$164,155,000 | \$134,418,000 | 75,289 | \$2,180 |
| 2007 | \$208,959,000 | \$176,936,309 | 82,051 | \$2,547 |
| 2008 | \$296,325,000 | \$256,522,000 | 109,763 | \$2,700 |
| 2009 | \$351,824,000 | \$292,624,000 | 129,705 | \$2,712 |
| 2010 | \$377,669,000 | \$142,292,000 | 135,314 | \$2,791 |

Impact

BancoSol's primary goals are employment generation, poverty reduction, and increased access to financial services. Its primary targets are clients living in urban areas, along with clients living in rural areas and women.

BancoSol has eight "Proyectos de Capital Social".

- ✓ Measures the performance of the organization
- ✓ Measures the impact of the organization's programmes

BRAC (Bangladesh Rehabilitation Assistance Committee)

Bangladesh, Asia and Africa

Type of organization: international NGO



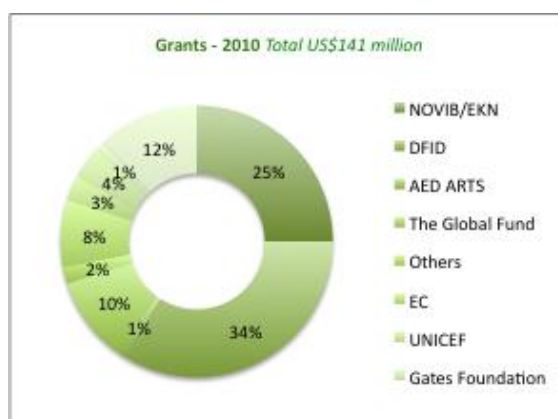
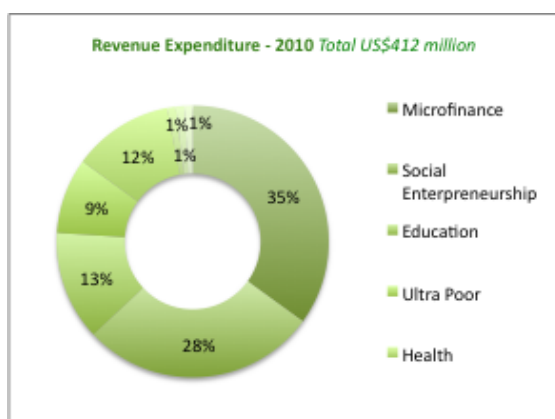
- Foundation year: 1972
- Microfinance programs since 1974
- Country of origin: Bangladesh
- Num. Employees: 120,000, largest NGO in the world
- Population reached in Bangladesh: 110 million
- Population reached worldwide excl. Bangladesh: over 31 million

- Expenditures Budget: US\$412 million
- Grants: US\$141 million
- Microfinance loans: US\$564 million
- Microfinance revolving fund: composed of members savings and deposits, grants, retained earnings and loans from the Government and

"Our mission is to empower people and communities in situations of poverty, illiteracy, disease and social injustice. Our interventions aim to achieve large scale, positive changes through economic and social programmes that enable men and women to realize their potential".

Our Vision: "A world free from all forms of exploitation and discrimination where everyone has the opportunity to realize their potential"

BRAC provides collateral free credit and savings services at the doorsteps of its target population – the landless poor, marginal farmers and vulnerable small entrepreneurs. BRAC recognizes the heterogeneity among the poor and focuses on careful targeting and development of customized financial products and services that best meet their varying needs. A distinctive aspect of BRAC's microfinance program is the **credit-plus approach** – in addition to providing loans and training we have developed an integrated set of services that work to strengthen the supply chains of the enterprises that members invest in, giving them access to quality inputs and support in marketing their products. These services are provided by BRAC's social enterprises and microfinance members have access to all of BRAC's development interventions: education, health...



Impact monitor and evaluation: BRAC has a Research and Evaluation Division (RED) that helps assess its work and refine its approaches. Research helps BRAC with ways to scale up and identify new areas of intervention. BRAC collaborates with academic and research institutions and other development organizations to gauge the effectiveness of its interventions and shares findings and lessons learnt by publishing reports and working papers, contributing to professional journals and participating actively in national and international forums. BRAC's work is made available through printed publications and its website. However, BRAC does not have an impact assessment unit yet but is working in order to establish one in the near future.

BRAC experimental approach to program evaluation

Program: Asset Transfer Programme for the Ultra Poor (Source: New CFPR Working paper 22, November 2011)

Description: Challenging the Frontiers of Poverty Reduction (CFPR), an innovative approach to address extreme poverty that was launched in 2002 in rural Bangladesh. Through CFPR ultra-poor households receive an asset which generally is livestock. The idea is that this asset will provide for secure and recurrent income which will allow this ultra-poor household to graduate over time to become microfinance “credit-worthy” clients.

Evaluation: Two evaluations of this program have been conducted since it was launched in Bangladesh in 2002. A first phase evaluation of the programme (2002-2006) revealed that livelihoods of the participant households improved remarkably due to the intervention. But a number of shortcomings were identified regarding the evaluation method of the first phase, particularly due to adopting non-experimental evaluation design.

Currently BRAC is conducting a second phase evaluation using randomized control trial design, which efficiently addressed much of the data limitation of earlier studies. Using 2007 to 2009 data where beneficiaries and non-beneficiaries were followed, the evaluation allowed to see that the programme reduced the vulnerability of the participant households by raising their food expenditure and preparing livelihood pathways for them by generating self-employment and productive asset base including financial, physical and human capital. Remarkable effects on per capita income were observed as well as positive impacts on natural assets like land acquisition through mortgaged-in, physical assets like livestock, financial assets like borrowing from NGOs, accumulation of savings and lending out in terms of cash or in kind. However, evaluation shows that the programme did not have visible impact on education, which is probably not surprising because the programme does not provide any direct support on education.

Applicability to Banco Palmas: including the “randomized control trial” approach within a comprehensive matrix of indicators is not possible. The advantage of the current proposal (a comprehensive matrix of indicators) is that it will allow the bank to perform partial or complete evaluations on a regular basis. Through the matrix approach, CDBs can capture general results from the projects implemented in terms of clients repayment rates, number of products per client, number of new businesses for clients who participated versus clients who did not participate and generally assess the results from the projects. It will allow CDBs to compare groups of clients in

its portfolio and see if effectively participating in projects is associated with becoming lower risk and higher fidelity clients.

However, in order to assess the impact of one project specifically, CDBs could proceed to ad-hoc punctual randomized control trials. This would allow for assessment of the causal effect of the project which is a stronger assessment than identifying an “association” between participating in projects and results. Proceeding to a randomized control trial would require significant capacity, human and capital resources as well as planning efforts during the project design phase in order to establish a treatment group (beneficiaries of the program) and control group (non-beneficiaries of the program) following a strict randomization methodology.

Organization Name: Caixa Federal do Brasil
Geographical presence: Brazil
Type of organization: Government owned Bank
Website: www.caixa.gov.br



Demographics

- Foundation year: 1861
- Country of origin: Brazil
- Num. Employees: 81,500
- Revenue: \$19.5 billion (2011)
- Net Income: \$2.7 billion (2011)
- Total assets: \$305 billion (2011)

Mission/Vision/Values

CAIXA's vision is to be a world reference as an integrated public bank, profitable, socially responsible, efficient, agile and with a permanent ability for renovation.

- It will remain as the leader on the implementation of public policies and will be strategic partner of the state and municipal governments.
- It will consolidate its position as the bank of the majority of the Brazilian population, with relevant presence on the business sector and excellent rapport with its clients.
- It will have state of the art information technology in all its assistance channels and it will stand out on the management of staff, acknowledged by their merit, trained and with a highly developed public spirit.
- It will keep solid, united and innovative relationships with partners who are competent and have a strong social commitment.

CAIXA's mission is to promote the continued improvement of the quality of life of the Brazilian population, intermediating funds and financial businesses, acting towards the harnessing of urban development and on the sectors of housing, sanitation and infrastructure, and on the management of funds, programs and services of social character.

Values:

- Directing actions to meet the expectations from the society and clients
- Permanent search of excellence in the quality of services offered
- Financial balance in all businesses
- Ethic conduct based on the society's values
- Respect and valorization of the human being

Impact

CAIXA is a publicly-owned bank and exercises a fundamental role in promoting social justice and in Brazil's economic, social and environmental development, helping to improve the quality of life of the population, especially that of the low-income sector. Its activities are wide-ranging and designed to fulfill the commitments assumed as an organization linked to the federal government, a financial institution and an agent for the promotion of public policies.

Indicators:

CAIXA Millennium Objectives Program: working towards social inclusion and generating jobs and income in needy communities. Set up in 2006, and inspired by the UN, the project was expanded for the 2007–2008 cycle by empowering all our 78 Superintendent Offices, giving them the independence to choose which projects to support.

ROI, ROE, Efficiency (Personnel costs), Receipts from Services/Admin. Costs, Receipts from Svcs/Personnel Costs, Non-Trading Investments/Total Equity, market share, various HR, ETHOS index, employee training hrs, employee evaluation scores.

- ✓ Measures the performance of the organization
- ✓ Measures the impact of the organization's programmes

Organization Name: Grameen Bangladesh
Geographical presence: International
Type of organization: For-profit Microfinance Institution
Website: www.grameen-info.org



Demographics

- Foundation year: 1983
- Country of origin: Bangladesh
- Number of branches: 2,565 across rural Bangladesh
- Num. Employees: 22,124
- Total loan disbursed since inception: \$11.35 billion
- Gross Loan Portfolio: \$939.1 Million (2010)
- Number of active borrowers: 8.3 Million
- Average loan balance per borrower: \$112.6 (2010)
- Assets: \$1.7 billion (2010)
- Profit: \$10.76 million (2010)
- Interest rates: 20% for income generating loans, 8% for housing loans, 5% for student loans, and 0% for struggling members (beggars)
- Deposit rates: 8.5%-12%

GB provides credit to the poorest of the poor in rural Bangladesh, without any collateral. At GB, credit is a cost effective weapon to fight poverty and it serves as a catalyst in the over all development of socio-economic conditions of the poor who have been kept outside the banking orbit on the ground that they are poor and hence not bankable. Professor Muhammad Yunus, the founder of "Grameen Bank" and its Managing Director, reasoned that if financial resources can be made available to the poor people on terms and conditions that are appropriate and reasonable, "these millions of small people with their millions of small pursuits can add up to create the biggest development wonder."

Grameen Bank's positive impact on its poor and formerly poor borrowers has been assessed in independent studies carried out by agencies including the World Bank, the International Food Research Policy Institute (IFPRI) and the Bangladesh Institute of Development Studies (BIDS).

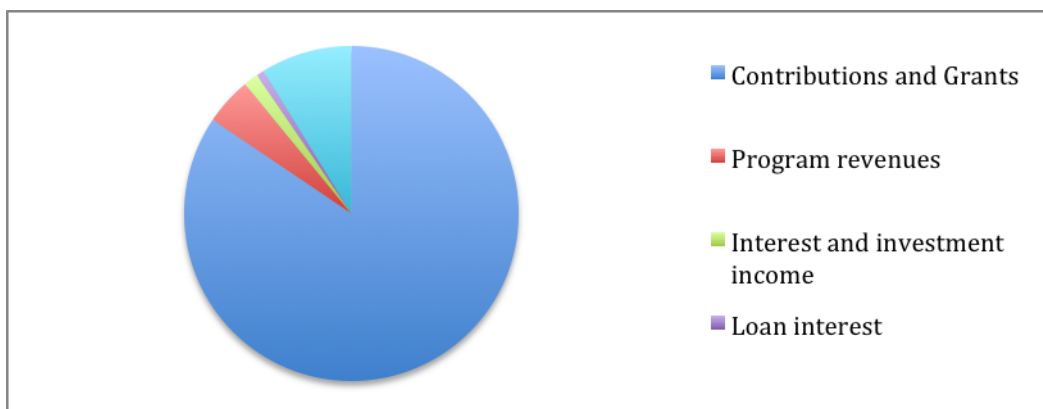
Mission/Vision/Values

Grameen Foundation's mission is to enable the poor, especially the poorest, to create a world without poverty.

In all our work, we embrace and draw inspiration from our rich Grameen Bank Heritage. Our core values are:

- We seek to empower the world's poor, especially the poorest women;
- We hold ourselves and our partners accountable for transparency and measurable results, including social and financial performance;
- We champion innovation that makes a difference in the lives of the poor;
- We first seek to form partnerships with those who can advance our mission before acting alone;
- We respect, invest in and promote local social entrepreneurs and local ownership; and,
- We honor the voice, professionalism and integrity of our staff and volunteers.

Major sources of funding



source: www.grameen-info.org

Impact

Grameen Foundation has long recognized the critical role of social performance in achieving its fundamental mission: maximizing outreach to and impact on the poor and poorest. In fact, social performance is at the heart of Grameen Foundation's work. Every year, Grameen staff evaluate their work to check whether the socio-economic situation of their members is improving.

They have developed a robust set of **10 indicators of impact** to measure the double bottom line called the Grameen **Progress out of Poverty Index™ (PPI)**. This tool is used across the industry as a socio-economic impact measurement guide. Specifically to Brazil, they have developed a Progress out of Poverty Index for Brazil, which is included as an attachment.

About Progress out of Poverty Index™

To carry out its mission, Grameen Foundation recognized the need for a practical, accurate and transparent tool to measure social performance in the same way that financial tools measure operations. The Grameen Foundation sought an innovative way to help microfinance institutions (MFIs) measure a “double bottom line”—both social and financial—in assessing the results of microfinance programs, and in using those results to better manage these programs.

The Grameen Bank had already established its 10-Point System, a set of easily observable indicators that, if achieved, suggest a family has moved out of poverty. Prizma Microfinance had also developed a poverty scorecard. Based on this, Grameen Foundation, in partnership with the Consultative Group for the Alleviation of Poverty (CGAP), commissioned the development of the Progress out of Poverty Index (PPI™).

10 Indicators of Impact

A member is considered to have moved out of poverty if her family fulfills the following criteria:

- The family lives in a house worth at least Tk. 25,000 (twenty five thousand) or a house with a tin roof, and each member of the family is able to sleep on bed instead of on the floor.
- Family members drink pure water of tube-wells, boiled water or water purified by using alum, arsenic-free, purifying tablets or pitcher filters.
- All children in the family over six years of age are all going to school or finished primary school.
- Minimum weekly loan installment of the borrower is Tk. 200 or more.
- Family uses sanitary latrine.
- Family members have adequate clothing for every day use, warm clothing for winter, such as shawls, sweaters, blankets, etc, and mosquito-nets to protect themselves from mosquitoes.
- Family has sources of additional income, such as vegetable garden, fruit-bearing trees, etc, so that they are able to fall back on these sources of income when they need additional money.
- The borrower maintains an average annual balance of Tk. 5,000 in her savings accounts.
- Family experiences no difficulty in having three square meals a day throughout the year, i.e. no member of the family goes hungry any time of the year.
- Family can take care of the health. If any member of the family falls ill, family can afford to take all necessary steps to seek adequate healthcare.

- ✓ Measures the performance of the organization
- ✓ Measures the impact of the organization's programmes

Equity Bank & M-PESA / M-Kesho

Kenya

Type of organization: for-profit Bank and Telecom company



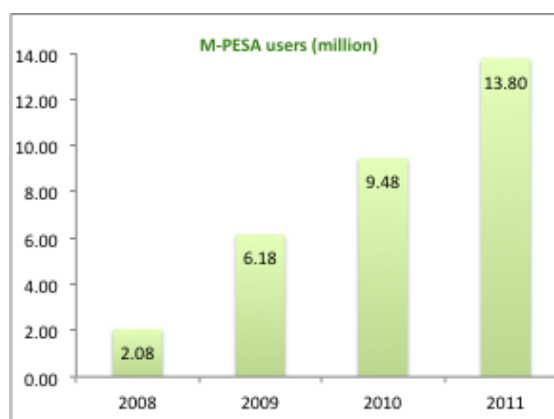
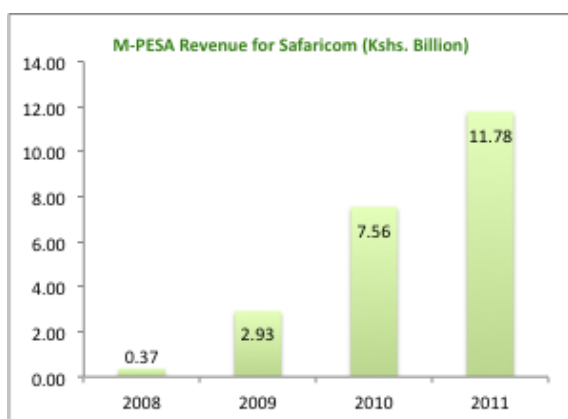
- M-PESA foundation year: 2007
- M-KESHO foundation year: 2010
- Microfinance programs: officially since 2010
- Country of origin: Kenya
- Num. Agents selling the service: 26,948 in Kenya
- Population reached in Kenya: over 15 million. While already Kenya Bank clients, through M-KESHO the Bank will be able to immediately collect 15 million people's savings and deposits
- M-PESA represents 12.4% of total revenue for Safaricom
- Grants: NA
- Microfinance loans: NA
- Microfinance revolving fund: NA

Equity Bank Mission: "We offer inclusive, customer focused financial services that socially and economically empower our clients and other stakeholders"

M-PESA started as a CSR initiative of Vodafone with internal funds of the company and £1 million grant from DFID to pilot the service in Kenya. Today the company has also begun to offer additional services—like savings (with Equity Bank through M-KESHO) and crop insurance (with Syngenta) and Vodafone has replicated the model in Tanzania, South Africa, Afghanistan, and Fiji

What is M-PESA? mobile payment transfer service launched in 2007 by Equity Bank in partnership with Safaricom. M-PESA principally allowed mobile payments

What is M-KESHO? It is a bank account introduced by both Equity Bank and Safaricom in 2010 after regulation by the Kenyan Government was approved, where customers can earn interest from as little as Ksh1. Customers can withdraw cash from their Equity Bank Account to their M-PESA accounts and customers can also deposit through their M-PESA accounts to their M-KESHO Bank account. The M-KESHO account also includes Micro credit facilities (emergency credit availed through M-PESA), Micro insurance facilities as well as a personal accident cover that translates into a full cover after 1 year. To



Organization Name: Mibanco
Geographical presence: Peru
Type of organization: Private Bank
Website: www.mibanco.compe



Demographics

- Foundation year: 1998
- Country of origin: Peru
- Num. of Branches: 103 agencies throughout Peru (52 in Lima and Callao)
- Num. Employees: N/A
- Gross Loan Portfolio: \$1.3 billion (2010)
- Number of active borrowers: 401,988
- Average loan balance per borrower: \$3,275 (2011)
- Assets: \$1.6 billion (2010)
- Deposits: \$1.1 billion (2010)
- Number of depositors: 475,121 (2010)

Mission/Vision/Values

Mibanco's mission is to promote the economic development of Peru's low-income majority by providing high quality credit and other financial services to microentrepreneurs.

Mibanco's vision is to be el líder y el referente de la banca con un marcado compromiso social, donde las personas sienten orgullo de pertenecer a la comunidad de clientes y colaboradores de Mibanco.

Nuestros Valores

- **Honestad**

Trabajamos con integridad moral y ética profesional, desarrollando una gestión transparente, brindando información clara y precisa; generando confianza.

- **Compromiso**

Tenemos la convicción de dar lo mejor de nosotros mismos, involucrándonos y participando activamente en el desarrollo y cumplimiento de la misión y la visión de Mibanco

- **Eficiencia**

Gestionamos de manera óptima nuestros recursos, mejorando continuamente los procesos y la productividad para lograr mayor competitividad y sostenibilidad en el tiempo.

- **Respeto**

Reconocemos y apreciamos de manera integral el valor de la persona con sentido de equidad y justicia; a través de un ambiente de armonía, libertad de opinión e igualdad de oportunidades

- **Innovación**

Reconocemos y apreciamos de manera integral el valor de la persona con sentido de equidad y justicia; a través de un ambiente de armonía, libertad de opinión e igualdad de oportunidades.

- **Calidad**

Desarrollamos eficazmente nuestras actividades y proyectos, superando de manera continua nuestros estándares de gestión,

Major sources of funding

FUENTES DE FONDOS DICIEMBRE 2010

| | Saldo S/. | % |
|------------------------------|---------------|-------|
| Obligaciones con el público | 2,896,514,335 | 65.0% |
| Adeudados | 750,416,697 | 16.8% |
| Patrimonio | 390,131,419 | 8.8% |
| Depósitos sistema financiero | 299,393,816 | 6.7% |
| Otros | 81,098,340 | 1.8% |
| Valores en circulación | 39,478,399 | 0.9% |
| Total | 4,457,033,006 | 100% |

source: Annual Report 2010

Annex 2: Benchmark Deep Dive Profiles

Impact

POLÍTICAS CON ASPECTOS MEDIOAMBIENTALES Y SOCIALES ESPECÍFICOS APLICADAS A LAS LÍNEAS DE NEGOCIO

| Clientes por Líneas de Negocio según SBS | Productos (*) | Políticas | |
|--|-----------------------------|--|---|
| | | Sociales | Ambientales |
| PEQUEÑA EMPRESA 86,067 | Créditos Capital de Trabajo | <ul style="list-style-type: none"> • Productos innovadores y flexibles orientados a financiar negocios rentables, que permitan al empresario generar ingresos suficientes para devolver el préstamo y mejorar su nivel de vida y el de su familia. • Productos que permitan el acceso al crédito sin avales o garantías. • Dirigidos principalmente a empresarios de la pequeña y microempresa. • Sistema basado en la confianza y el potencial de las personas. • Sistema de acercamiento al cliente para efectuar las operaciones financieras a través de más de 1,500 asesores de crédito. • Oferta de seguros que cubran al titular del crédito en caso de fallecimiento del cónyuge; coberturas por muerte accidental y/o desamparo súbito familiar, etc. | <p>Como política crediticia, contamos con normativas de crédito orientadas al cuidado del medio ambiente y protección de la salud de los clientes. Estas incluyen restricciones para el financiamiento de actividades que degraden y destruyan ecosistemas, producción y/o comercio de sustancias que desgasten la capa de ozono sujetas a eliminaciones graduales o limitaciones internacionales, entre otros.</p> |
| | Créditos Bienes Muebles | | |
| | Créditos Bienes Inmuebles | | |
| | Línea de Crédito | | |
| | Crédito Rural | | |
| | Otros Productos | | |
| MICROEMPRESA 309,865 | Créditos Capital de Trabajo | | |
| | Créditos Bienes Muebles | | |
| | Créditos Bienes Inmuebles | | |
| | Línea de Crédito | | |
| | Crédito Rural | | |
| | Otros Productos | | |
| OTROS 58,149 | Créditos de Vivienda | | |
| | Crédito Personal | | |
| | Tarjetas de Crédito | | |
| | Otros Productos | | |

(*) Todos los productos de Mibanco que están dentro de las líneas de Pequeña y Microempresa cuentan con seguros de Desgravamen y Multirisgo.

Mibanco's primary goals are to increase access to financial services, and support the growth of existing businesses.

Their primary targets are clients living in urban areas, and women.

To measure impact, Mibanco uses Grameen's Progress out of Poverty Index™

Performance monitoring

Mibanco regularly evaluates its performance towards both its internal and external clients.

They monitor both Economic, Social and Environmental performance.

Economic: market share held compared to competitors (15.48%, 2010 for total microenterprise loans).

Number of active and passive clients, reimbursement rates, total loaned, and net utility. Also Return on Assets 2.38% (2010), Return on Equity 27.39% (2010),

Social: access to banking services, regional outreach, banking rates, sector distribution of clients (production, commerce, services), client satisfaction, client gender. Value added generated by Mibanco.

Internal: staff distribution per geographic region, employees benefits, salary comparisons with minimum wage, staff education and training, donations to the community

SERVICIOS PARA BENEFICIO PÚBLICO

| Institución / Programa | 2009 S/. | 2010 S/. |
|--|------------------|------------------|
| Programa de capacitaciones gratuitas para clientes | 2,878,322 | 2,800,000 |
| Apoyo social a la comunidad de Villa María del Triunfo por Navidad | 6,500 | 714 |
| Apoyo social a la comunidad Nueva Esperanza en trabajos de rehabilitación y alcantarillado (Municipalidades 2009) | 13,809 | 17,240 |
| Donación en efectivo por desastres naturales en Haití, Cusco y Huánuco | - | 56,105 |
| Donación para instituciones de apoyo social tales como Instituto Invertir, Centro Global Democracia y Desarrollo, Amigos de la Policía y Ayudar es Vivir | 28,769 | 176,572 |
| Total | 2,927,380 | 3,050,631 |

- ✓ Measures the performance of the organization
- ✓ Measures the impact of the organization's programmes

Organization Name: Pro Mujer

Geographical presence: Peru, Nicaragua, Argentina, Mexico, Bolivia

Type of organization: NGO, Microfinance and Development

Website: www.promujer.org



Demographics

- Foundation year: 1990
- Country of origin: Bolivia
- Num. Employees: N/A
- Number of clients: 200,000 with approx 1 million extended beneficiaries
- Primary Target: Women
- Gross Loan Portfolio: \$34.1 million (2010)
- Average loan balance: \$266
- Assets: \$40.3 million (2010)
- Up to date, \$1 billion in small loans have been disbursed, healthcare has been provided to 1.6 million women and approx. 6.4 million children and family members
- Loan portfolio at risk of default: 2.1%

Pro Mujer is an international microfinance and women's development organization whose mission is to provide Latin America's poorest women with the means to build livelihoods for themselves and futures for their families through microfinance, business training, and healthcare support.

Pro Mujer provides women with working capital loans ranging from US\$50 to \$1,500 with a term of four to six months. The average loan is approximately US\$225. Women who repay their loans on time qualify for larger loans. Pro Mujer also offers loans for short term credit needs, and loans to pay for education and healthcare.

Pro Mujer equips women with more than just credit. It also arms them with the business know-how and skills they need to thrive as entrepreneurs.

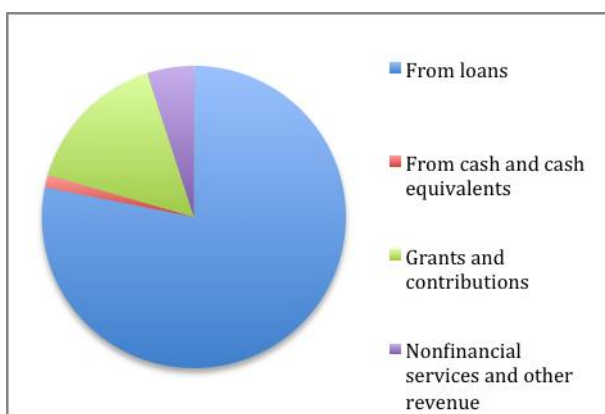
Pro Mujer has pioneered an approach that integrates health care and financial services, providing information and services that help clients stay healthy and run their businesses.

Finally, Pro Mujer uses a holistic approach, making sure that clients are better prepared physically, emotionally and economically to improve their lives and that of their children.

Mission/Vision/Values

Pro Mujer is an international women's development and microfinance organization whose mission is to provide Latin America's poor women with the means to build livelihoods for themselves and futures for their families through microfinance, business training, and healthcare support.

Major sources of funding (2009)



source: Pro Mujer website

Cost and Sustainability (2004-2006)

| Cost and Sustainability | 2004 | 2005 | 2006 |
|--|------------|------------|------------|
| Return on equity (ROE)* | 2.4% | 6.1% | 4.1% |
| Return on assets (ROA)* | 1.6% | 3.8% | 2.0% |
| Portfolio at risk / gross portfolio | 0.5% | 0.5% | 0.3% |
| Interest and commissions collected / average portfolio | 34.5% | 35.3% | 34.4% |
| Operating expenses / average gross portfolio | 29.5% | 27.3% | 25.5% |
| Operating cost per client | US\$ 39.03 | US\$ 38.73 | US\$ 42.59 |

* Adjusted figures, not including donations

source:

http://www.mixmarket.org/sites/default/files/medialibrary/20501.153/PROMUJER_Bolivia_Social_Responsibility.pdf

Annex 2: Benchmark Deep Dive Profiles

Impact

With a steady income, good health, and improved self-esteem, women are empowered to become agents of change and lift themselves and their families out of poverty.

Definition of impact:

- Reduce Poverty
- Increase Income
- Improve Preventive Health Care
- Empower Women

Focus on social return means that clients find response to their needs:

- Economical
- Educational
- Health and Well Being

Why Social Impact is important to Pro Mujer:

1. To ensure that resources are used to fulfill the 2 purposes they were given for:
 - a. Institutional sustainability
 - b. Clients' sustainability
2. To identify successful areas of intervention and areas that need to be changed and improved
3. To focus on clients' satisfaction

According to Pro Mujer, improving social return is vital to maintaining and improving financial return

- Social return essentially means improving client well being
- Clients are the source of their revenues
- Healthy and educated clients are the basis of financial performance

"Measuring impact is another challenge not only for Pro Mujer but any organization. We are very interested in conducting impact studies to measure how our services affect the lives of our clients, however, it requires a tremendous amount of funds and capacity to implement them." –Lynne Patterson,

Director



Source: http://www.cerise-microfinance.org/publication/pdf/prog_spi2/15-11h25-ProMujer-CVelasco.pdf

Measuring Impact:

Pro Mujer measures impact through externally funded impact evaluations, regular progress reports, site visits and frequent communication. Reports include 37 financial indicators ranging from client retention rates to borrowers per loan officer, as well as data on health and other non-financial services.

They also perform regular client satisfaction surveys and use internal and external studies to evaluate which services are in demand and are meeting clients' needs.

- ✓ Measures the performance of the organization
- ✓ Measures the impact of the organization's programmes

SembrarSartawi

Bolivia

Type of organization: Non Banking Financial Institution (NBFI)



- Sartawi foundation year: 1989
- SembrarSartawi foundation year: 2009
- Num. Beneficiaries: ~7,000
- Microfinance loans: US\$13.5 million (Dec 2011)
- Recently received NBFi approval from the Bolivian regulator

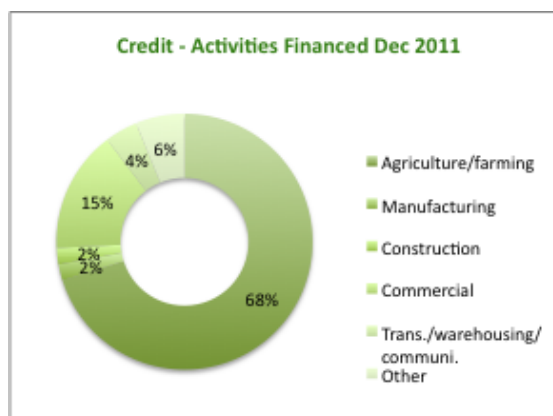
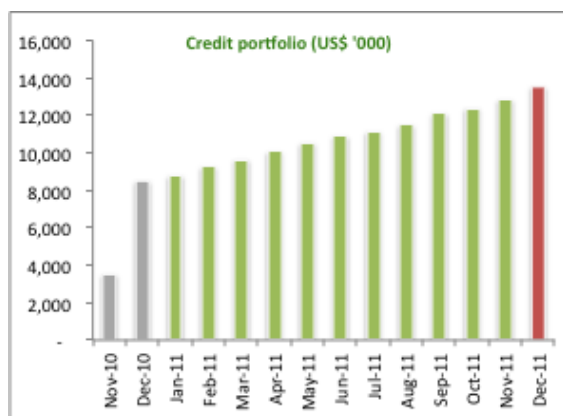
"Provide financial services with an integral focus on rural populations that have a capacity to produce excess to be commercialized, who does not have access to adequate productive services or financial services and who are principally connected to agriculture value chains"

Originally, Sembrar was a foundation created by SolyDes (formerly known PRODEM Foundation), the creator of BancoSol and FFP Prodem. Sembrar capitalized Sartawi to create SembrarSartawi, an MFI driven to serve Bolivia with innovative financial (through SembrarSartawi-IFD) and non-financial products (through Instituto Sembrar) directed to the rural agriculture producer. Instituto Sembrar's non-financial services and technical assistance objectives are:

1. Increase clients' agriculture management capabilities and productivity
2. Provide technical support to client-farmers, prioritizing according to the number of clients in a given production chain and the exposure of the loan portfolio, the distance from the farmer property to regional offices and branches and the current alliances with other operators, particularly companies that belong to the production chain and participate with support actions
3. Optimize and systematize the Technical Assistance processes to consolidate experience in order to replicate experiences around the country

Institutional: the non-financial services and technical assistance provided to clients will allow for strengthening the credit activities and improve the loan portfolio risk to agricultural activities.

Impact measurement: SembrarSartawi-IFD has implemented the PPI and closely monitors institutional performance. In 2011, implemented M&E tools from IDB (major donor, required indicators on institutional performance, HR, MIS systems and environmental impact following a grant to implement new MIS system) as well as started capturing socio-economic and productive data from clients for the development, in the future, of a proprietary impact evaluation model.





Organization Name: Faces do Brasil

Website: www.facesdobrasil.org.br

Geographical Presence: Brazil

Type of Organization: Community Development – Domestic Traditional

Demographics

Foundation year: 2001

Country of origin: Brazil

Employees: 3

Budget: NA

Locale: Rural/Urban

Beneficiaries: NA

Beneficiary Profile: Poor, small entrepreneurs

Mission – Promote the construction of fair solidarity commerce as an instrument of an inclusive, sustainable solidarity economy.

Values – Responsibility, ethics, transparency, fair wages, diversity, and equality

Types of Impact

Political, commercial and public understanding of and participation in the solidarity economy, fair trade and labor relations up and down the value chain, creation of alternative commercialization channels, and citizens empowered to create viable small businesses.

Major Funding Sources

Ministry of Work and Employment, SENAES, Oxfam, Solidaridad, Friedrich Ebert Stiftung, Ministry of Agrarian Development, Banco do Brasil

- Measures the performance of the organization
- Measures the impact of the organization's programs
- Reports program results regularly

Sample Indicators

Increase in knowledge of fair and inclusive value chain production, public and commercial policies adopted, events hosted, participants, research studies completed, leaders trained, educational/informational materials produced and disseminated, businesses committed to solidarity principles

Value to Community Development Banks

Faces do Brasil is committed to development of the solidarity economy through its policy advocacy and training activities. Its emphasis on solidarity throughout the value chain could be instructive for CDB projects. FdB also concerns itself with the level of commitment to solidarity principles exhibited by business owners.

Organization Name: Impact Reporting and Investment Standards (IRIS)

Geographical presence: Worldwide

Type of organization: Standard Reporting Initiative – non-profit



Demographics

- Foundation year: 2009
- Country of origin: USA
- Num. Employees: N/A
- \$ Revenues/Budget: N/A
- Website: <http://iris.thegiin.org/>

Mission/Vision/Values

IRIS was developed to provide a common reporting language for impact-related terms and metrics. By standardizing the way organizations communicate and report their social and environmental performance, IRIS aims to increase the value of non-financial data by enabling performance comparisons and benchmarking, while also streamlining and simplifying reporting requirements for companies and their investors.

Definition of Impact

“Performance and reach of the organization's products and services”

Partners:

Deloitte, USAID, Rockefeller Foundation, B Lab, Acumen Fund, GIIR

Standardized indicators, glossary, and EXCEL matrix

☒ Measures the performance of the organization

☒ Measures the impact of the organization's programs

IRIS – Impact Reporting and Investment Standards

**COMPLETE LIST OF INDICATORS IN EXCEL FORMAT IN THE WEBSITE to
DOWNLOAD: <http://iris.thegiin.org/indicator/downloads>**

Adoption:

- Iris has an implementation model specifically for companies trying to:
 - Manage toward increased social or environmental impact
 - Attract capital
 - Report to investors
- IRIS also provides sample reports companies should use to start their monitoring and reporting, including BancoSi, a Peruvian micro-finance organization:
 - Sample Report – Banco Si: <http://iris.thegiin.org/report/banco-si>

Standards:

The IRIS framework consists of six parts:

- **ORGANIZATION DESCRIPTION** - indicators that focus on the organization's mission, operational model, and location
- **PRODUCT DESCRIPTION** - indicators that describe the organization's products and services and target markets
- **FINANCIAL PERFORMANCE** - commonly reported financial indicators
- **OPERATIONAL IMPACT** - indicators that describe the organization's policies, employees, and environmental performance
- **PRODUCT IMPACT** - indicators that describe the performance and reach of the organization's products and services
- **GLOSSARY** - definitions for common terms that are referenced in the indicators

Sectors:

- Cross Sector
- Agriculture
- Education
- Energy
- Financial Services
- Housing/Community facilities
- Water

IRIS approach to program evaluation

Description of approach: IRIS is a centralized and independent platform that provides a range of examples of widely used performance objectives, including specialized metrics to measure outcomes that can lead to evaluating impact of several initiatives across sectors. IRIS is particularly helpful for the performance reporting endeavors of Instituto Palmas in the context of *Desenvolvimento das Capacidades*, as it offers indicators for different sectors such as agriculture, energy, education, environment, health, housing, community facilities, and cross-sector projects.

IRIS classifies their database of indicators by standards of measurement that include the following dimensions:

- Organization Description
- Product Description
- Financial Performance
- Operational Impact
- Product Impact

The relevant dimensions within the framework pertaining to the area of *Desenvolvimento das Capacidades* are the “Product Description” and “Product Impact” indicators. As mentioned before, these can be further classified into particular subsets, such as “Quantity and Reach” or “Client Performance.” As an example, the following is a list of the subcategories measured under the dimension of “Product Impact:”

- Quantity & Reach
- Quality & Performance
- Client Information
- Supplier Information
- Distributor Information

IRIS caters to organizations looking to measure their impact, but more specifically their model of reporting helps companies increase the monitoring of their social and environmental impact, attract investors and other sources of capital, and standardized their reporting practices into a common international model. The site provides several sample reports that organizations can use, including a relevant example to Banco Palmas of a microfinance organization, BancoSi: <http://iris.thegiin.org/report/banco-si>

Applicability to Banco Palmas: IP and Banco Palmas can use IRIS as a go-to database for sample indicators as it provides a common reporting language for impact-related initiatives that can be understood by partners and donor alike. IRIS’ mission is to standardize the way organizations present their outcomes so that reporting and sharing performance becomes an easy task for NGOs, companies, and their investors.

Following the example above, under the dimension of “Product Impact” and the subcategory of “Quantity & Reach,” the following is a list of some of the indicators that can be useful for BP in measuring the outcome and impact of particular projects:

- Quantity & Reach
 - Group-based Training
 - Technical Assistance
 - Organizations Receiving Training
 - Enterprise/Business Development Training
 - Women's Empowerment Training
 - Educational Services

The overall take away is that IP and BP can use IRIS as a resource when considering specific indicators for focused and unique projects in the community. This framework's indicators are not exhaustive but they can certainly serve as a guide for IP to formulate project specific measuring indicators.



Organization Name: Movimento de Organização Comunitária

Website: www.moc.org.br

Geographical Presence: Sertão region of Bahia

Type of Organization: Community Development – Domestic Non-Traditional

Demographics

Foundation year: 1967
Country of origin: Brazil
Employees: ~60
Budget: Not available
Locale: Rural/Semi-Rural
Beneficiaries: ~32,000
Beneficiary Profile: Poor rural workers, rural professors, farmers, children, women, small urban producers

Mission – Contribute to the holistic, participatory and ecologically sustainable development of human society through training, coaching, and incentivizing and supporting projects that strengthen citizenship, improve quality of life, and eliminate social exclusion.

Vision – A fair and viable Sertão.

Values – Solidarity, commitment, coherence, hope, joy, tenderness, belief in utopia, persistence, humility, community

Type of Impact

Improvements in school administration, community-based planning, literacy, and access to clean water. Equalizing economic cooperation within and between communities, environmentally sustainable farming practices, positively engaging youth and fostering gender equality.

Major Funding Sources

Pfizer, United Way, Omicron, UNICEF, SEBRAE, Ministry of Education – Bahia, Ministry of Women's Policy, Petrobras, UNDP, Banco do Nordeste, Ministry of Agrarian Development, DISOP, Albertino

- Measures the performance of the organization
- Measures the impact of the organization's programs
- Reports program results regularly

Sample Indicators

Program participants by type (professor, administrator, public official, student, etc.), programs offered, construction projects completed, communities impacted, schools impacted, inter-municipal exchanges, technical assistance visits, cooperatives formed, women employed, microloans to women, water sources purified, production output of cisterns, literacy/numeracy levels, public policies/projects adopted, community involvement in planning processes. Youth/women involved in community planning and leadership roles

Value to Community Development Banks

MOC activities focused on access and economic cooperation are relevant to CDB products and projects, especially in rural and semi-rural contexts. The importance of community engagement is consistent with the community-based nature of a CDB. MOC is an example of an organization blending financial and social programs.

Organization Name: One Acre Fund
Geographical presence: Kenya and Rwanda
Type of organization: Non-profit



Demographics

- Foundation year: 2006
- Country of origin: Kenya
- Num. Employees: 500-1000
- \$ Revenues/Budget: \$3 M
- Website:
<http://www.oneacrefund.org>

Mission/Vision/Values

One Acre Fund serves small-scale farmers. They create farmer-focused solutions; the core service package for farmers includes: group formation, education, seed and fertilizer delivery, flexible payments (credit or sales), and market access. Farmers pay for these services.

Definition of Impact-

From website: Depth of our impact per client
“We don't just record how many farmers we have served – we want to know our exact impact on their lives. For example, we physically weighed sample harvests from more than 2,500 test and control farmers last year, so that we could know the exact impact our program had on their farm profit.” They use 20 core metrics.

Best Practices: KPIs,
Performance Reporting,
Case Studies, and
Program Dashboard

Major sources of funding

Foundations, Individuals, and Corporations (in that order)

- ☒ Measures the performance of the organization
- ☒ Measures the impact of the organization's programs

ONE ACRE FUND MEASURES IMPACT

“We believe it is critical that we remain 100% accountable to both our biggest donors and our littlest children, measured by hard operational metrics that are reported, good and bad, to stakeholders.

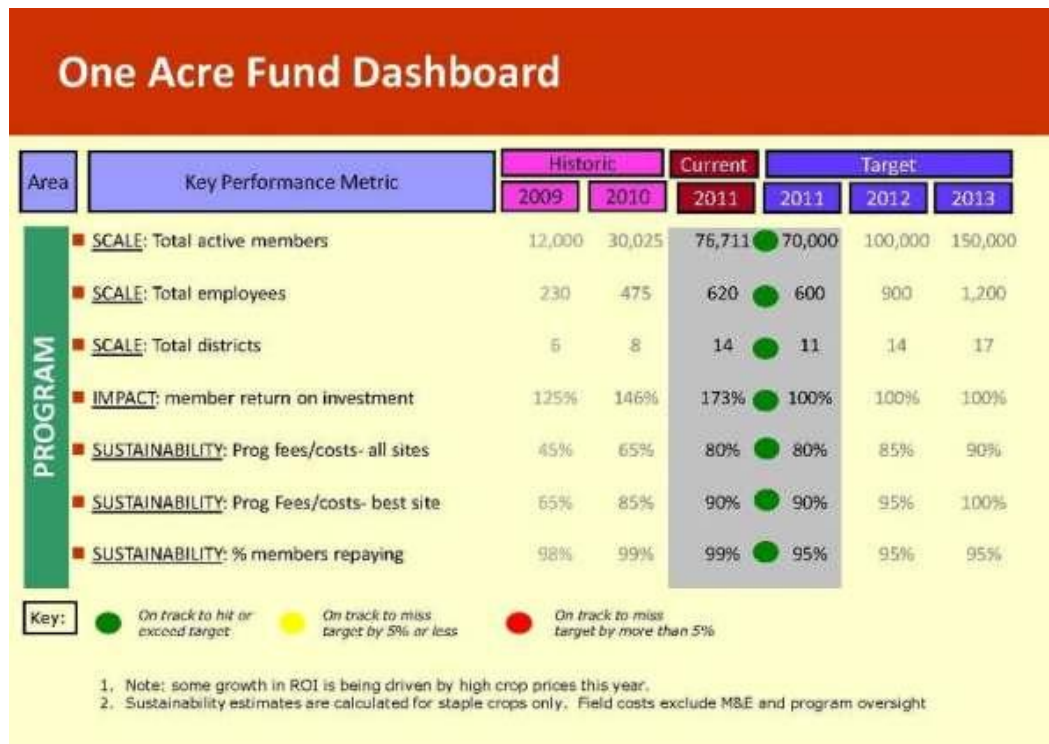
We produce a [6 month report](#) that focuses on specifically measuring our performance on Scalability, Impact, and Financial Return / Sustainability. Example metrics include the number of families reached, repayment rate, pre- and post- OAF child physical stunting rate, etc. Our metrics are also tracked on our [program dashboard](#).

We are hiring country staff specifically to focus on [monitoring and evaluation \(M&E\)](#), we have developed a robust database to capture our program data and store it to allow for long-term trend comparisons, and we are in the process of working on an M&E benchmarking study to allow for comparison with other NGOs.

We also produce [monthly profiles](#) that document our impact to one family at a very personal level.”³⁰

Links to Impact Measurement Documents/Pages/Models:

- **Program Dashboard**
 - https://www.oneacrefund.org/our_results/program_dashboard



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³⁰ https://www.oneacrefund.org/about_us/faq#measureimpact

- **Performance Reports** (Fall/Spring) - specific to donors and includes results and future targets (vision).
 - Dimensions include Scalability, Impact and Financial return; all include vision/future plans
 - Sample Report- Fall 2011:
https://www.oneacrefund.org/files/reports/OneAcreFund_SixMonthReport_Fall2011.pdf
 - https://www.oneacrefund.org/our_results/reports
- **Family Profiles** – Pick a family every month for profile
 - https://www.oneacrefund.org/meet_our_families/family_profiles
- **Monitoring and Evaluation**
 - https://www.oneacrefund.org/our_results/monitoring_evaluation
 - Department has sixty full-time monitoring and evaluation (M&E) staff
 - Yearly, from the database, the organization selects a random sample of test and control clients. Once clients are selected, the M&E staff visit each of their farms, physically weigh a sample of their harvest, and determine farm income.
 - This year, a survey of more than 2,000 total test clients and 500 control clients will be completed.

One Acre Fund systematic model or matrix approach to program evaluation

Description of approach: One Acre Fund is a not-for-profit organization that serves a specific group within the community: small-scale farmers. This target group is given an opportunity to generate income in the agricultural sector by providing them with a “market bundle” that consists of five components: organizing groups of farmers in a community, capacity building in the sector, capital in the form of seed and fertilizer, storing and sustainable practices, and insurance. All of these services are available for a small payment, making the organization sustainable.

Their measurement approach is based on the organization's commitment to accountability to their donors as well as their clients. Their assessment is mostly based on operational indicators due to the nature of the agricultural sector. The organization produces biannual reports and focuses on “Scalability, Impact, and Financial Return / Sustainability.”

Some of the indicators they use are similar to those outlined in the “Institutional Performance” dimension of the IP social impact framework such as number of client reached, repayment rate, etc. However, for specific projects they use a program dashboard in which they monitor and evaluate program/initiative related data that then

³¹ https://www.oneacrefund.org/sites/default/files/program_dashboard_jan2012.jpg

can feed back to the overall model. This is an added value process that applies greatly to IP.

As mentioned before, one of the core reasons for the area of Desenvolvimento das Capacidades is to leverage the repayment or drop-out risk of clients as well as the community component of a solidarity component. Thus, capacity building or housing/community projects' outcome data can be used by IP to make resource allocation decisions, target client development, and more importantly new product development.

Another best practice exhibited by One Acre Fund is the use of this trend data in order to create an internal and contextualized benchmark that they can use to compare their programs with those of other NGOs in the region/locale.

In addition, even with the hundreds of beneficiaries, One Acre Fund picks a family every month and documents in a detail way the progress or experience related to their agricultural activities and the associated impact of these activities in their daily lives. This can also be beneficial to IP in showcasing the benefits related with different CDBs' financial products and services. Following the same reasoning as before, this exercise would not only provide important feedback in order to adapt and/or better an existing product, but it will also showcase to management, donors, and investors the social and economic benefits of IP in a more personal way.

Research Question: One Acre Fund is focused more on the depth of their impact per client served. Their research question is not how many farmers they have served but the actual impact that the organization's services have on their lives. In the context of One Acre Fund in Africa that entails measuring the increased in yield production that was generated as a direct result of the services rendered by the Fund; for this particular impact assessment on harvest they use twenty indicators.

Organization Name: PATH
Geographical presence: Worldwide
Type of organization: NGO- Health



Demographics

- Foundation year: 1979
- Country of origin: US
- Num. Employees: 1,100
- \$ Revenues/Budget: NA
- Website:
<http://www.path.org>

Mission/Vision/Values

“Our mission is to improve the health of people around the world by: Advancing technologies, strengthening systems, Encouraging healthy behavior”

Definition of Impact/Focus:

- “Solutions for emerging and epidemic diseases, like **AIDS**, **tuberculosis**, and **malaria**.
- Health **technologies** designed for low-resource settings, by the people who will use them.
- **Safer childbirth** and **healthy children**.
- Health **equity for women**, among the world’s most vulnerable—and influential—populations.
- The basic protection of **vaccines** for women and children around the world.”

Major sources of funding

Foundations, US Government, Donors,

☒ Measures the impact of the organization’s programs

☒ Measures the performance of the organization

PATH IMPACT

A resource posted on their website is “Assessing Development Impact of Micro Finance Programs”:

An example of the types of measurements that should be considered on microfinance having INCOME RELATED IMPACT:

- Micro credit contributed to improvement in asset acquisition
- Partially helped clients to take advantage of educational opportunities for their children
- Produced positive impact on diversification of livelihood for the poor
- Contributed to reduction in casual labor
- Contributed to improved level of income
- Reduced dependence on costly informal sources
- Brought about reduction in the incidence of poverty among clients

On the microfinance collaboration, several articles were published:

- Microfinancing pilot in India: Pilot project explores the role of microfinance in selling water
 - http://www.path.org/projects/safe_water_microfinancing.php
- NGO working with PATH published their PERFORMANCE:
 - Include Social Performance reports, case studies, community care
 - <http://www.spandanaindia.com/performance.html>
- Microfinancing Boosts Uptake of Water Filters: PATH Partners With Indian Household Water Treatment and Safe Storage Manufacturer and Microfinance Organization to Expand Use of Water Filters That Can Reduce Diarrheal Disease
 - http://www.path.org/publications/files/TS_swp_micro_hul_india_fs.pdf
- More publications on PATH and MFIs
 - Microfinance and Women's Health: What Do We Know? (Outlook, vol. 28, no. 1)
 - <http://www.path.org/publications/detail.php?i=1982>

Organization Name: Projeto Saúde e Alegria – Centro de Estudos Avançados De Promoção Social e Ambiental (CEAPS)
Website: www.saudeealegria.org.br



Geographical Presence: Amazon region in West Pará near Santarem

Type of Organization: Community Development – Domestic Non-Traditional

Demographics

Foundation year: 1987
Country of origin: Brazil
Employees: ~40
Budget:
Locale: Rural/Semi-Rural
Beneficiaries: ~30,000
Beneficiary Profile: Indigenous, poor, small entrepreneurs and farmers

Mission – Promote and support participatory processes of integrated, sustainable development that demonstrably contribute to adoption of public policies, quality of life, and citizenship with emphasis on traditional Amazon peoples.

Vision – Be a reference in participatory methodologies and social technologies for joyful, harmonious and sustainable human development.

Values – Respect for diversity, solidarity, ethics, equality, justice, transparency, social and environmental responsibility, respect for life

Types of Impact

Social and economic inclusion of traditional Amazon peoples and protection of Amazon lands.

Mobilization of all sectors of society. Adoption of inclusive, sustainable, just public policies related to land, forests, rivers, technology, health, infrastructure and education.

Major Funding Sources

BNDES, Itaú, Ford Foundation, TAM, Vivo, Alcoa, LAZ, Telefonica, Oikos, Ministry of Health, European Union, Terre des Hommes

- Measures the performance of the organization
- Measures the impact of the organization's programs
- Reports program results regularly

Sample Indicators

Child malnutrition rates, infant mortality, families with access to treated water and basic health care, school attendance, teen pregnancy, college/vocational training, hectares of land preserved, businesses created, annual sales of assisted businesses, change in household income, access to ICTs, purpose for ICT use, indirect beneficiaries, % business capacity utilization, public policies adopted, public events hosted

Value to Community Development Banks

Saude e Alegria's holistic approach to access, including social and economic inclusion, and community-based solutions aligns well with CDB activities. Use of training and technology is measured as being related to community impact which could be relevant to both consumer and productive credit lines for CDBs. Tracking public policy advocacy results could be important for CDBs as these often bring significant benefits for the community.

Organization Name: VivaRio
Geographical presence: Brasil and Haiti
Type of organization: NGO



Demographics

- Foundation year: 1993
- Country of origin: Brasil
- Num. Employees: N/A
- \$ Revenues/Budget:
- Website:
<http://vivario.org.br>

Mission/Vision/Values

Its mission statement is “to integrate a divided society and develop a culture of peace, integrating with civil society and public policies, working at grassroots and internationally through: designing and testing solutions to social problems, consultancies, advocacy, training, campaigns, communication”

Definition of Impact

“to promote a culture of peace and social development through field work, research and formulation of public policies”

Major sources of funding

International development agencies, corporations, government grants

- ☒ Measures the performance of the organization
- ☒ Measures the impact of the organization’s programmes

Blue Orchard
Global geographical presence
For-profit Microfinance Investment Company



- Foundation year: 1998
 - Country of origin: Switzerland
 - Num. Employees: 51
 - \$ Loans disbursed: over \$1Bn
 - Num. Beneficiaries: more than 700k micro-entrepreneurs financed
 - Num. of countries with operations: 30
- “To empower the poor worldwide and improve their quality of life by enabling them to participate in income-generating activities”. Microfinance contributes to poverty alleviation by creating a fairer, more inclusive financial system globally and provides much-needed services to millions that would otherwise be denied of basic financial services.*
- “We achieve this by developing and managing innovative and attractive financial products and services that invest in microfinance institutions who support millions of promising small enterprises in low-income regions worldwide. At the same time, our investment products generate profitable returns for our investors”*

Major sources of funding

Individuals, institutions, Banks and financial intermediaries

- ✓ Measures the performance of the organization
- ✓ Measures the impact of the organization's programmes

Organization Name: CERISE (*Comité d'Echanges de Réflexion et d'Information sur les Systèmes d'Epargne-crédit*)

Geographical presence: International – Worldwide

Type of organization: Network Organization



Demographics

- Foundation year: 1998
- Country of origin: France
- Num. Employees: N/A
- \$ Revenues/Budget: N/A

Mission/Vision/Values

CERISE is a knowledge exchange network for microfinance practitioners founded in 1998 by five French organizations: CIDR, GRET, IRAM, CIRAD, and IRC/SupAgro. CERISE also works with a wide network of partners, practitioners, researchers and donors from developing and developed countries, in particular the ProsperA network (Alliance for the Promotion of Social Performance in Microfinance).

CERISE's work is focused on four themes:

- 1) Impact and Social Performance
- 2) Agricultural and Rural Finance
- 3) Governance and Social Viability
- 4) Intervention Methods

In each of these areas, it has reflected on the experiences of its members to draw lessons and, in some cases, develop operational tools. This process of capitalizing on each other's experiences has created alliances and synergies throughout the microfinance sector. Coordinating this network of alliances has become a key element of its work.

Major sources of funding – Member organizations

- ✓ Measures the performance of the organization
- Measures the impact of the organization's programmes

Tool: Cerise Social Performance Indicators Initiative (SPI)

Measures: Institutional Process

- Assesses the social performance of MFIs by evaluating their intentions and actions (Zeller 2003). An analysis of internal systems and organizational processes determines whether institutions have the means in place to attain their social objectives.
- The underlying assumption is that the soundness of internal processes is a reasonably reliable proxy for actual social performance.
- The CERISE tool uses a questionnaire and guide to examine (1) outreach to the poor and excluded populations, (2) adaptation of products and services for target clients, (3) economic and social benefits for the clients, and (4) corporate social responsibility.
- Given its focus on organizational systems and process, the CERISE tool determines outreach to the poor through indirect means, rather than through client assessments. It analyzes the mission statement, board and staff commitment, and targeting methods, to approximate whether poor clients are actually being served. Rather than analyzing client empowerment at the household and community level, it assesses the social and political capital of clients by looking at their involvement in MFI decision making and at the transparency of financial transactions.
- The appeal of the tool lies in its ease of use and the fact that it can be administered by the MFI.

Definition of Impact/Social Performance

For many years, sustainability was all about "the financials"—social performance was taken for granted. CERISE and its partners were the first to pioneer a social performance assessment tool for microfinance, in 2001. Developed in collaboration with networks from the North and South, the **Social Performance Indicators** is one of the most widely used social audit tools in the sector today. In addition to the SPI, CERISE has also developed innovative methodologies for assessing impact. CERISE has spearheaded a whole new facet of performance assessment to complement financial analysis. Cerise's goal is to help MFIs become sustainable while genuinely contributing to development.

| Table 1. Cerise Tool—Dimensions and Indicators | |
|---|--|
| Dimensions | Indicators |
| Outreach to poor and excluded (25 points) | <ul style="list-style-type: none"> • MFI mission • geographic and socioeconomic focus • tools for targeting • size of transaction • collateral |
| Adaptation of services and products to client needs (25 points) | <ul style="list-style-type: none"> • range of services • quality of services • access to nonfinancial services • client participation in product design |
| Improvement of social and political capital of clients (25 points) | <ul style="list-style-type: none"> • transparency of financial transactions • client participation in MFI decisionmaking • social cohesion • client voice in national and local government |
| Social responsibility of the institution (25 points) | <ul style="list-style-type: none"> • human resource policy • social responsibility to clients • social responsibility to community |

Source: CGAP focus note, May 2007 Beyond Good Intentions: Measuring the Social Performance of Microfinance Institutions.

See 1 document attached for:

- SPI Excel Questionnaire - This format allows the answers to be presented as radar and diamond graphs that give a clear image of an MFI's social performance. Analysis of results can be carried out via discussion with an MFI's management and other interested stakeholders.

Organization Name: CGAP

Geographical presence: International – Worldwide (East Asia/Pacific, Europe/Central Asia, Sub-Saharan Africa, *Latin America/Caribbean*, Middle East/North Africa, South Asia)

Type of organization: Donor/Investor



Demographics

- Foundation year: 1995
- Country of origin: U.S.A.
- Num. Employees: 58
- \$ Revenues/Budget: Total revenue in FY2011 was \$19.4 million (\$13 million were for core contributions). Annual Budget of \$10 million

CGAP is an independent research and policy organization dedicated to expanding access to finance for poor people around the world. CGAP was created in 1995 by a group of leading donors and practitioners with the mandate to develop and share best practices, set standards, and develop technical tools to support the development of the field. Today, CGAP is supported by more than 30 development agencies and private foundations that share a common vision to foster development and alleviate poverty by advancing access to financial services.

Mission/Vision/Values

CGAP's mission is to improve poor people's access to convenient and affordable financial services so that they can improve their living conditions and build a better future.

CGAP has five core areas of work to help make its vision of permanent access to affordable and client-responsive financial services a reality.

- Developing and strengthening a wide range of institutions and means, both financial and non-financial, that deliver financial services to the poor
- Improving the quality and availability of information about institutional financial performance
- Establishing supportive legal and regulatory frameworks

Major sources of funding – Member donors (For a complete list, see attachment)

Multilateral member donors

Bilateral member donors

Foundation member donors

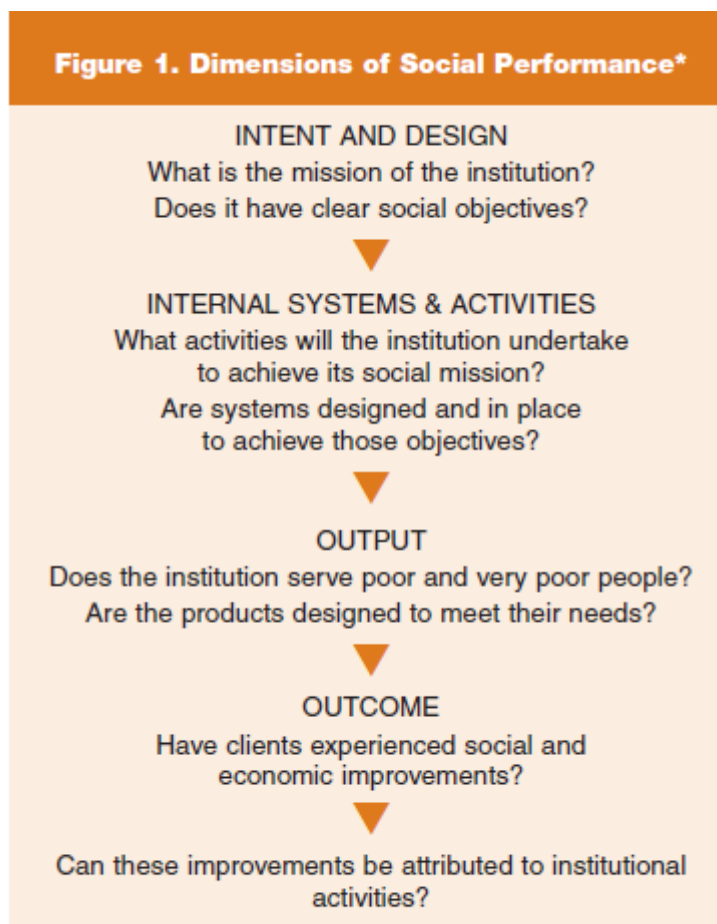
Definition of Impact/Social Performance

Social Performance is the effective translation of an institution's social goals into practice in line with accepted social values; these include sustainably serving increasing numbers of poor and excluded people, improving the quality and appropriateness of financial services, improving the economic and social conditions of clients, and ensuring social responsibility to clients, employees and the community they serve.

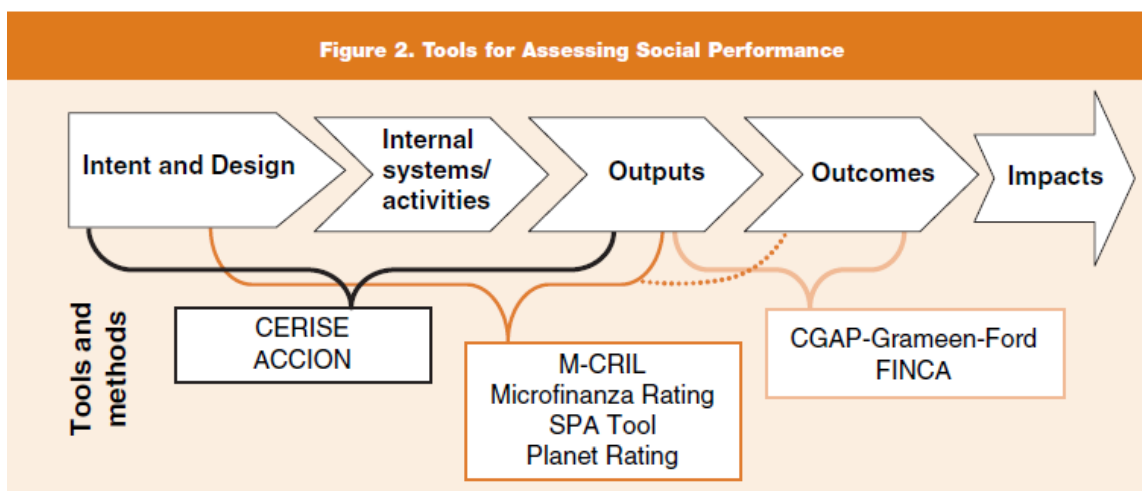
Impact (which refers to changes in client or community conditions that can be directly attributed to programs) is just one element of social performance. Social performance looks at the entire process by which impact is created.

Measures the performance of the organization

- ✓ Measures the impact of the organization's programmes



* Agreed to at the Task Force meeting in Paris, March 2005.
See also Sinha 2006.



Source: CGAP focus note, May 2007 Beyond Good Intentions: Measuring the Social Performance of Microfinance Institutions.

Assessment Tool: CGAP – Grameen – Ford Progress out of Poverty Index (PPI)

Measures: Client Conditions and Poverty

- Globally comparable client-level indicators
- Country-level “poverty scorecards” – based on statistical analysis of national household expenditure surveys
- The poverty scorecard or index is simple, inexpensive, transparent, and intuitive.
- Tests show that a single scorecard works with high accuracy in both rural and urban areas of a given country.
- An MFI or external surveyor visits client homes and obtains answers to the questions. Actual scores for all responses are written down and averaged for all clients. These scores are then compared with a previously constructed “poverty likelihood” table to determine the percentage of clients falling below the poverty line.
- CGAP, Grameen Foundation, and Ford Foundation have created PPIs for a dozen countries (Brazil is one of them!). Many more are being created.

See 4 documents attached for:

- PPI™ Design Documentation for Brazil (2010): A detailed technical description of the PPI construction and design, written by Mark Schreiner.
- PPI™ Indicators and Lookup Table for Brazil (2010): Country-specific set of PPI indicators and corresponding poverty likelihood lookup tables.
- PPI Interview Guidelines for Brazil: Definitions and instructions for enumerators based on Brazil's 2008 National Household Survey (Pesquisa Nacional por Amostra de Domicílios, PNAD).
- PPI Sampling Guidelines for Brazil: This document allows users to determine a sample size with precision levels of their choice. It also enables users to determine the precision levels for a given sample size (N).

Organization Name: FINCA

Geographical presence: International – Worldwide

Type of organization: Support Organization



Demographics

- Foundation year: 1984
- Country of origin: U.S.A.
- Num. Employees: N/A
- Beneficiaries: over 900,000 clients in 21 countries
- \$ Revenues/Budget: Net interest income in FY 2010 was \$130,345,533. Profit for the same year was \$10,027,367

FINCA provides financial services to the world's lowest-income entrepreneurs so they can create jobs, build assets and improve their standard of living. They are an anti-poverty organization whose work is aimed at creating employment, raising family incomes, and reducing poverty worldwide.

They offer small loans and other products to those turned down by traditional banks, believing that even the poor have a right to financial services. With these loans, families can invest in, and build, their own small businesses and their income-earning capacity. Worldwide, our clients post repayment rates over 97 percent.

Mission/Vision/Values

The mission of FINCA International is to provide financial services to the world's lowest-income entrepreneurs so they can create jobs, build assets and improve their standard of living.

The vision of FINCA International is to be a global [microfinance](#) network collectively serving more low-income

Major sources of funding – Donations followed by Grants

Definition of Impact/Social Performance

The real impact of microfinance lies in its ability to create inclusive financial systems and inclusive societies—societies where the individual is not shut out of what that society has to offer. Finca believes that microfinance specifically allows households and enterprises to benefit from financial inclusion in seven distinct, although related, ways:

1. *Facilitating economic transactions:* Lack of payment services mean microentrepreneurs often travel long distances and wait in line to make transactions, which is time-consuming and risky. Mobile payment services can both save time and reduce risk.
2. *Managing day-to-day resources:* Low-income families can use credit and savings to tap into past or future income, helping them to both take advantage of immediate opportunities or, for example, to survive the annual 'hungry season.'
3. *Accessing services that improve quality of life:* Financial services give families access to education, healthcare and other necessities that improve quality of life, through such tools as school fee loans, health insurance and home-improvement loans.
4. *Protecting against vulnerability:* Savings, credit and insurance provide sustainable and low-cost coping strategies. If a household loses a source of income, it might not have to withdraw a child from school, sell a valuable asset, or fall deeper into poverty.
5. *Making productivity-enhancing investments:* Clients can improve their businesses using credit or savings for investments such as sewing machines, refrigerators or farm tools.
6. *Leveraging assets:* The poor own assets, but without recognition by the formal sector, they cannot leverage them, as Hernando de Soto has argued. Allowing poor households, particularly the women who run them, to borrow against these assets helps them capture the existing financial value, facilitating long-term investments.
7. *Building economic citizenship:* Financial services foster independence. Microfinance can help clients to grow more self-confident and, with that economic citizenship, to step out and become involved in local government, garnering the respect of their communities.

- Measures the performance of the organization
- ✓ Measures the impact of the organization's programmes

Assessment Tool: FINCA Client Assessment Tool (FCAT)

Measures: Client Conditions and Poverty

- [FINCA](#)'s Client Assessment Tool (FCAT) is a comprehensive, open-source tool that has been implemented in 25 countries across five regions. The FCAT employs a set of 13 individual screens to record income sources and dependents (2 screens), monthly household expenditures (9 screens), and daily per capita expenditures and poverty levels (2 screens) that collectively document expenditures on the six social metrics of household food security, health care, housing, education, empowerment, and social capital.
- The FCAT methodology provides every client an equal probability of being surveyed and utilizes a "two stage cluster sampling approach" to ensure practicality. The FCAT is recorded using Personal Digital Assistant devices (PDAs) to increase accuracy in reporting. The FCAT assessment is an integral component in FINCA's Social Performance Management structure.
- Related Document: [How FINCA Used a Client Assessment Tool To Identify Mission Drift](#)

Freedom from Hunger
Global geographical presence
Nonprofit NGO



- Foundation year: 1946
- Country of origin: US
- Num. Employees: 49
- \$ Revenues/Budget: \$6,5M
- Num. Beneficiaries: 3,9 million of women
- Num. of countries with operations: 19

“Freedom from Hunger brings innovative and sustainable self-help solutions to the fight against chronic hunger and poverty. Together with local partners, we equip families with resources they need to build futures of health, hope and dignity”

Freedom from Hunger's self-help programs invest in women and their determination to feed their children, safeguard their health and send them to school. Their combination of microfinance, practical education and access to health care, helps women earn and save more money, buy more and better food, and pay for health care. They share our proven programs by training and collaborating with local partners who expand their reach and ensure that services are delivered effectively and sustainably.

Major sources of funding

- 50% Individuals
- 41% Private foundations and corporations
- 8% NGOs and Government
- 1% In-kind gifts

- ✓ Measures the performance of the organization
- ✓ Measures the impact of the organization's programmes

Freedom from Hunger qualitative approach to program evaluation

Freedom from Hunger's (FfH) self-help programs invest in women and their determination to feed their children, safeguard their health and send them to school. Their combination of microfinance, practical education and access to health care, helps women earn and save more money, buy more and better food, and pay for health care. Freedom from Hunger trains and collaborates with local partners who expand their reach and ensure that services are delivered effectively and sustainably.

FfH's approach to evaluation of results from programs is very qualitative in nature. The organization will gather "stories of success". These stories are articulated around the concept of a "good life" and the questions try to assess how the individual (the beneficiary or borrowers) thinks he/she can attain that good life and if now he/she believes it is more at reach than before.

The questionnaire (see Jarrell & al, June 2011, "*Human faces of microfinance impact: how we can learn from Freedom from Hunger's 'Impact Story' methodology*", www.freedomfromhunger.org) is qualitative in nature and semi-structured, which complicates the task of extracting information that can be generalized if responses are too heterogeneous.

The advantage of this methodology is that it listens to the clients and could help identify a latent demand for products not yet available. However, in the context of the CDB matrix, this model is not necessarily applicable but could be an interesting exercise to perform when thinking about new credit or savings products that respond to community needs.

Incofin
Global geographical presence
MFI Investor Funds manager



- Foundation year
- Country of origin
- Num. Employees: 30
- \$ Loans disbursed: over \$212M
- Num. Beneficiaries:
- Num. of countries with operations: 40

Invest with an aim to improve the MFI, keeping a balance between social and financial results

Incofin Investment Management manages funds that invest in microfinance institutions (MFIs) in developing countries. MFIs provide financial services, such as credits, savings and insurances, to people who cannot have recourse to regular banks. As a specialist in rural microfinancing, Incofin IM's main goal is to reach out to people who live in more secluded rural areas and/or who are active in the agricultural sector. Incofin IM also explores the possibilities for direct investments in companies situated in these countries and develops new products to suit the development of their needs.

Major sources of funding

Individual, corporations and financial investors

| Social performance Dimensions | Weighing | # of indicators by dimension |
|---|-------------|------------------------------|
| Mission and Vision | 10% | 6 |
| Outreach and Access | 25% | 9 |
| Client Service | 30% | 11 |
| Human Resources | 20% | 11 |
| Environment and Corporate Social Responsibility | 15% | 6 |
| Total | 100% | 43 |

| Social Performance Scoring | Meaning and decision |
|----------------------------|--|
| < 50% | It has a poor social performance level and the investment is rejected. |
| 50,1% - 55% | MFI with low social performance. |
| 55,1% - 70% | MFI with moderate social performance. |
| 70,1% - 80% | MFI with good social performance . |
| 80,1% - 90% | MFI with very good social performance. |
| > 90% | MFI with excellent social performance . |

- ✓ Measures the performance of the organization
- ✓ Measures the impact of the organization's programmes

Organization Name: MIX (Microfinance Information Exchange)

Geographical presence: International – Worldwide

Type of organization: Network Organization



Demographics

- Foundation year: 2002
- Country of origin: U.S.A.
- Num. Employees: 22
- \$ Revenues/Budget: Total revenue in FY2010 was \$2,340,037

Mission/Vision/Values

MIX is the premier source for objective, qualified and relevant microfinance performance data and analysis. Committed to strengthening financial inclusion and the microfinance sector by promoting transparency, MIX provides objective, qualified and relevant performance information on microfinance institutions (MFIs), funders, networks and service providers dedicated to serving the financial sector needs for low-income clients.

MIX fulfills its mission through a variety of platforms.

On MIX Market (www.mixmarket.org), they provide instant access to financial and social performance information covering approximately 2,000 MFIs around the world. Their publications, MicroBanking Bulletin and MIX Microfinance World, feature thorough and timely analysis based on qualified data and research. Incorporated in 2002, MIX is a non-profit organization headquartered in Washington, DC with regional offices in Azerbaijan, India, Morocco, and Peru.

Their efforts are strengthened through their collaboration with the following global partners: Bill & Melinda Gates Foundation, CGAP, Omidyar Network, The MasterCard Foundation, IFAD, Michael & Susan Dell Foundation, Citi Foundation, Ford Foundation, and Deutsche Bank.

Major sources of funding – Grants and Contracts followed by contributions

Definition of Impact/Social Performance

Social performance, or the social bottom line, is about making an organization's social mission a reality. This may include serving larger numbers of poor and excluded people; improving the quality and appropriateness of financial services; creating benefits for clients; and improving social responsibility of an MFI. This definition has been provided by the [Social Performance Task Force \(SPTF\)](#), an international group composed of investors, donors, MFIs, microfinance networks, research agencies, and other stakeholders united in the goal of defining, measuring, and improving the social performance of MFIs. MIX has been an active member of the SPTF since its inception and is member of the SPTF [steering committee](#) and leads the [SPTF's working group of social performance indicators](#).

- ✓ Measures the performance of the organization
- Measures the impact of the organization's programmes

Assessment Tool: Social Performance Indicators

Measures: Institutional Process

- [MIX](#) and the [Social Performance Task Force](#) (SPTF) have developed 11 indicators by which to measure the social performance of microfinance institutions (MFIs). These specific indicators are used to collect social performance data from MFIs around the world and provide a platform for benchmarking and analysis.

| INDICATOR CATEGORY | WHAT THE INDICATORS MEASURE |
|--|---|
| 1. Mission and social goals | The MFI's stated commitment to its social mission, its target market and development objectives |
| 2. Governance | Whether members of the Board of Directors have been trained in social performance management and the presence of a formal Board committee that monitors social performance |
| 3. Range of products and services | Both financial and non-financial products and services offered by the MFI |
| 4. Social responsibility to clients | The number of Smart Campaign Client Protection Principles applied by the MFI |
| 5. Transparency of cost of services to clients | How the MFI states its interest rates |
| 6. Human resources and staff incentives | The MFI's policy regarding social responsibility to staff. This includes: human resource policies in place, board and staff composition, staff turnover rate, and staff incentives linked to social performance goals |
| 7. Social responsibility to the environment | Whether the MFI has policies and initiatives in place to mitigate the environmental impact of financed enterprises |
| 8. Poverty outreach | Poverty levels of clients at entry and their movement out of poverty over time |
| 9. Client outreach by lending methodology | The type of lending methodology(-ies) employed by the MFI |
| 10. Enterprises financed and employment creation | The number of enterprises financed by the MFI and employment opportunities created by the enterprises financed |
| 11. Client retention rate | The client retention rate of the MFI |

Annex 3: Matrix of Indicators

Institutional Performance Axis

| OBJETIVO GERAL | EIXOS | TEMAS Objetivos Específicos | ASPECTOS Resultados Esperados | DIMENSÃO Macroindicador | INDICADORES | FONTES | UNID. MEDIDA | FÓRMULA | DESAGREGAÇÃO |
|---|--------------------------|---|---|---|--|--------|--|---|---|
| CONTRIBUIR PARA SUPERACÃO DA POBREZA E PROVER A SOBERANIA FINANCEIRA PELA OFERTA DE PRODUTOS E SERVIÇOS FINANCEIROS E BANCÁRIOS DE MODO QUE AS COMUNIDADES POSSAM PENSAR E PRODUZIR SEU PRÓPRIO DESENVOLVIMENTO COM BASE NOS PRINCÍPIOS DA ECONOMIA SOLIDÁRIA | DESEMPENHO INSTITUCIONAL | 1. Garantir estrutura institucional capaz de fortalecer a sua atuação | 1.1. Estrutura de gestão adequada ao oferecimento de serviços financeiros e bancários | 1.1.1. Qualificação legal da entidade gestora | Entidade responsável pela execução é uma OSCIP de Microcrédito | 1 | Qualitativo - Alternativa múltipla - Alternativa única | sim ou não | |
| | | | | 1.1.2. Sistematização, análise e avaliação dos dados do sistema de | Existência de um sistema | 1 | Qualitativo - Alternativa múltipla - Alternativa única | sim ou não | |
| | | | | | Frequência de sistematização dos dados | 1 | Qualitativo - Alternativa Múltipla - mais de uma opção | semanal; mensal; bimestral; trimestral; anual; bianual | |
| | | | 1.2. Reconhecimento da importância pública da atuação da instituição | 1.2.1. Volume e diversidade de parcerias | Número parcerias estratégicas por área | 1 | Quantitativa - número absoluto | | Área de pesquisa (universidades); Instituições públicas; Áreas financeira, bancária e econômica; Terceiro setor; Outros |
| | | | | 1.2.2. Reconhecimento Público | Número de prêmios ou selos de reconhecimento | 1 | Quantitativa - número absoluto | | |
| | | | | | Número de artigos e citações em mídia no ano de referência | 1 | Quantitativa - número absoluto | | Artigos publicado em revistas, anúncios em rádio; citações em emissoras de TV; citações em artigos acadêmicos/ pesquisa; outros |
| | | | 1.3. Autonomia da gestão e composição do fundo | 1.3.1. Diversificação da composição do fundo e suas condicionalidades | Número de instituições parcerias que compõem o fundo | 1 | Quantitativa - número absoluto | | |
| | | | | | Porcentagem do volume de recursos do fundo que são próprios | 1 | Quantitativa - porcentagem (%) | $(\text{volume de recursos do fundo que são próprio} \div \text{volume total do fundo}) \times 100$ | |
| | | | | | Volume de recursos próprios que compõem o fundo | | Quantitativa - Números Absolutos em R\$ (reais) | | |
| | | | | | Volume de recursos do fundos sem restrições | 1 | Quantitativa - Números Absolutos em R\$ (reais) | | |
| | | | | 1.3.3. Diversificação de produtos microfinanceiros | Distribuição dos clientes por tipo de produto financeiro | 1 | Quantitativo - Números Absolutos | | microrédito; microseguro; correspondente negocial; correspondente transacional; outros |
| | | | | | Tipos de produtos financeiros | 1 | Qualitativo - Texto | | Lista de produtos financeiros ofertados/ disponíveis |

Annex 3: Matrix of Indicators

| | | | | | | | | | |
|--|--|--|---|-------------------------------|---|---|---|--|--|
| | | | 1.4. Dados de desempenho institucional comparáveis a outras instituições de microcrédito não-comunitárias | 1.4.1. Estrutura Financeira | Total de ativos (R\$) - MIX | 1 | Quantitativo - Números Absolutos em R\$ (reais) | | |
| | | | | | Razão entre total de carteira ativa bruta e total de ativos (R\$) - MIX | 1 | Quantitativo - Números Absolutos em R\$ (reais) | Soma do volume da carteira de empréstimos não pagos, incluindo carteira ativa, em risco e reestruturada ÷ Soma do volume total de ativos | |
| | | | | 1.4.2. Abrangência | Número de clientes ativos - MIX | 1 | Quantitativo - Números Absolutos | | |
| | | | | | Carteira bruta de crédito - MIX | 1 | Quantitativo - Números Absolutos em R\$ (reais) | | |
| | | | | | Média de volume crédito por cliente - MIX | 1 | Quantitativo - Números Absolutos em R\$ (reais) | | |
| | | | | | Razão entre a média de crédito por cliente e o GNI per capita - MIX | 1 | Quantitativo - Números Absolutos | (total de crédito ÷ total de clientes) ÷ Renda Nacional Bruta per capita | |
| | | | | 1.4.3. Performance Financeira | Rendimento dos ativos - MIX | 1 | Quantitativo - Números Absolutos em R\$ (reais) | (Net operating Income - Taxes) ÷ Average total Assets | |
| | | | | | Razão entre rendimento sobre a carteira bruta - MIX | 1 | Quantitativo - Números Absolutos em R\$ (reais) | ((Net operating Income - Taxes) ÷ Average total Assets) ÷ Total da carteira bruta | |
| | | | | | Razão entre receitas financeiras e ativos - MIX | 1 | Quantitativo - Números Absolutos em R\$ (reais) | Total de receitas financeiras ÷ (Total da ativos mês 1 - total da ativos mês 12) | |
| | | | | | Razão entre despesas financeiras sobre ativos - MIX | 1 | Quantitativo - Números Absolutos em R\$ (reais) | Volume de despesas financeiras ÷ (Total da ativos mês 1 - total da ativos mês 12) | |
| | | | | | Razão de volume de provisão para créditos atrasados sobre volume de créditos ativos - MIX | 1 | Quantitativo - Números Absolutos em R\$ (reais) | Volume de provisão para créditos atrasados ÷ (Total da ativos mês 1 - total da ativos mês 12) | |
| | | | | | Razão de despesas operacionais sobre ativos - MIX | 1 | Quantitativo - Números Absolutos em R\$ (reais) | Volume de despesas operacionais ÷ (Total da ativos mês 1 - total da ativos mês 12) | |
| | | | | | Razão de despesas operacionais sobre a carteira bruta - MIX | 1 | Quantitativo - Números Absolutos em R\$ (reais) | Volume de despesas operacionais ÷ (Total da carteira bruta mês 1 - total da Carteira bruta mês 12) | |
| | | | | | Custo RH e infraestrutura (telefone, material de escritório, etc.) sobre receita - CAIXA | 1 | Quantitativo - Números Absolutos em R\$ (reais) | Soma de custos com RH e infraestrutura (telefonía, internet, material de escritório, etc.) ÷ total de receita | |
| | | | | | Custo de RH por Número de Microcrédito - IRIS | 1 | Quantitativo - Números Absolutos em R\$ (reais) | Soma de custos com RH ÷ Número de Créditos ativos | |
| | | | | | Custo por cliente - MIX | 1 | Quantitativo - Números Absolutos em R\$ (reais) | Soma do total de custos operacionais ÷ (número de clientes ativos mês 1 - número de clientes ativos mês 12) | |
| | | | | | Número de clientes ativos por trabalhador do escritório - MIX | 1 | Quantitativo - Números Absolutos | total de clientes ativos ÷ total de trabalhadores do escritório | |
| | | | | | Média de número de transações por mês - MPESA | 1 | Quantitativo - Números Absolutos | Soma de transações mensal ÷ 12 | |

Annex 3: Matrix of Indicators

| | | | | | | | | | |
|--|--|--|--|-------------------------------|--|---|--|---|---|
| | | | | 1.4.4. Risco e Liquidez (MIX) | Volume de carteira em risco > 30 dias - MIX | 1 | Quantitativo - Números Absolutos em R\$ (reais) | Total das parcelas vencidas e a vencer de empréstimo com atraso superior a 30 dias | |
| | | | | | Carteira em risco - MIX | 1 | Quantitativo - Números Absolutos em R\$ (reais) | Total das parcelas vencidas e a vencer de empréstimo com atraso superior a 30 dias ÷ Total da carteira ativa bruta | |
| | | | | | Volume da carteira inadimplente - MIX | | Quantitativo - Números Absolutos em R\$ (reais) | Soma de todas as parcelas atrasadas acima de 30 dias | |
| | | | | | Carteira inadimplente - MIX | | Quantitativo - Números Absolutos em R\$ (reais) | Soma de todas as parcelas atrasadas acima de 30 dias ÷ Total da carteira ativa bruta | |
| | | | | | Volume da Carteira castigadas (> 180 dias atrasados) - MIX | 1 | Quantitativo - Números Absolutos em R\$ (reais) | Total das parcelas vencidas e a vencer de empréstimo com atraso superior a 180 dias | |
| | | | | | Carteira castigada - MIX | 1 | Quantitativo - Números Absolutos em R\$ (reais) | Total das parcelas vencidas e a vencer de empréstimo com atraso superior a 180 dias ÷ Total da carteira ativa bruta | |
| | | | | | Porcentagem do número de créditos não pagos em dia pelo total de número de créditos ativos - Mibanco | 1 | Quantitativo - Porcentagem (%) | número de créditos não pagos em dia ÷ total de número de créditos ativos | |
| | | | | 1.4.5. Qualidade dos Produtos | Inovação dos produtos financeiros - CERISE | 1 | Qualitativo - alternativa múltipla - opção única | Muito inovador; Inovador; Pouco Inovador; Comum | |
| | | | | | Número de produtos financeiros foram criados no ano | 1 | Quantitativo - Números Absolutos | | |
| | | | | | Média de número de dias para aprovação da concessão de crédito não-emergenciais - CERISE | 1 | Qualitativo - Múltipla Escolha - Alternativa única | Imediato; 1 dia; 2 dias; mais de 2 dias | |
| | | | | | Média de tempo para concessão de crédito não-emergencial - CERISE | 1 | Qualitativo - Múltipla Escolha - Alternativa única | Imediato; 1 dia; 2 dias; mais de 2 dias | |
| | | | | | Oferece crédito emergencial - CERISE | 1 | Qualitativo - Múltipla Escolha - Alternativa única | Sim ou Não | |
| | | | | | Realiza pesquisa de satisfação do cliente - CAIXA | 1 | Qualitativo - Múltipla Escolha - Alternativa única | Sim ou Não | |
| | | | | | Frequência de realização de pesquisa de satisfação do cliente - Mibanco | 1 | Qualitativo - Múltipla Escolha - Mais de uma opção | Diariamente; Semanalmente; Mensalmente; Anualmente | |
| | | | | | Razão de retenção do cliente - IRIS, MIX, CERISE | 1 | Quantitativo - Números Absolutos | Total de número de clientes que tomaram mais de um crédito ÷ Total do número de clientes | |
| | | | | | Mecanismos de transparência dos Juros - CERISE, MIX, IRIS | 1 | Qualitativo - Múltipla Escolha - Mais de uma opção | sim ou não | Publicação em todos os canais de comunicação pública com o cliente; Publicação em todos os canais de comunicação privada com o cliente; Destaque e detalhamento nos contratos; Discutido pelo agente de crédito junto ao cliente; Todas as anteriores; Nenhuma das anteriores |

Annex 3: Matrix of Indicators

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| | | | | 1.4.6. Recursos Humanos | Número total de trabalhadores na instituição - MIX | 1 | Quantitativo - Números Absolutos | | por género; idade; raça/cor |
| | | | | | Número de membros da diretoria que são mulheres - MIX | 1 | Quantitativo - Números Absolutos | | |
| | | | | | Número de trabalhadores distribuídos por tempo na instituição - Caixa, Mibanco | 1 | Quantitativo - Números Absolutos | | Menos de 1 ano; de 1 à 5 anos; de 5 à 10 anos; mais de 10 anos |
| | | | | | Número de horas treinamentos formais para os trabalhadores - Caixa | 1 | Quantitativo - Números Absolutos | | |
| | | | | | Treinamento de trabalhadores sobre os princípios e missão da instituição - CERISE | 1 | Qualitativo - Multipla Escolha - Alternativa única | Sim ou Não | |
| | | | | 1.4.7. Caracterização dos Clientes | Número de clientes mulheres - MIX | 1 | Quantitativo - Números Absolutos | | |
| | | | | | Número de clientes que são empresas - MIX | 1 | Quantitativo - Números Absolutos | | |
| | | | | | Número de clientes do meio rural - MIX | 1 | Quantitativo - Números Absolutos | | |
| | | | | | Número de clientes internos (Gerência e pessoal) - MIX | 1 | Quantitativo - Números Absolutos | | |
| | | | | | Número de clientes menores de 18 anos de idade - MIX | 1 | Quantitativo - Números Absolutos | | |
| | | | | 1.4.8. Microempresas financiadas e Criação de Emprego | Número de microempresas financiadas - MIX | 1 | Quantitativo - Números Absolutos | | |
| | | | | | Número de microempresas novas (start-up) financiadas - MIX | 1 | Quantitativo - Números Absolutos | | |
| | | | | | Número de pessoas empregadas nas empresas financiadas - MIX | 1 | Quantitativo - Números Absolutos | | |

Socioeconomic and Financial Inclusion Axis

| | | | | | | | | |
|--------------------------------------|---|---|---|--|---|--|--|--|
| INCLUSÃO SOCIOECONÔMICA E FINANCEIRA | 2. Promover a inclusão e educação financeira dos indivíduos e empreendimentos/ negócios da comunidade | 2.1. Acesso aos serviços financeiros e bancários atendendo as condições de vida e necessidades da população em situação de vulnerabilidade socioeconômica | 2.1.2. Critérios de concessão de crédito | Porcentagem de clientes com restrição cadastral | 1 | Quantitativa - porcentagem (%) | (Total de clientes ativos com restrição cadastral ÷ total de clientes ativos) x 100 | |
| | | | | Porcentagem de clientes sem conta bancária antes de acessar o crédito | 1 | Quantitativa - porcentagem (%) | (Total de clientes ativos sem conta bancária anterior ÷ total de clientes ativos) x 100 | |
| | | | | Analista de crédito possui autonomia para flexibilizar critérios | 1 | Qualitativo - Alternativa múltipla - opção única | sim ou não | |
| | | | 2.1.3. Atendimento de beneficiários dos programas de Transferência de Renda | Porcentagem de clientes beneficiários de PTR em relação ao total de clientes de microcrédito ativos | 3 | Quantitativa - porcentagem (%) | (Total de clientes de microcrédito beneficiários de PTR ÷ total de clientes de microcrédito ativos) x 100 | |
| | | | | Porcentagem de clientes beneficiários de PTR em relação ao total de clientes de microsseguro ativos | 3 | Quantitativa - porcentagem (%) | (Total de Clientes de microsseguros ativos beneficiários de PTR ÷ total de clientes de microsseguros ativos) x 100 | |
| | | | | Porcentagem de clientes beneficiários de PTR em relação ao total de clientes de ativos | 3 | Quantitativa - porcentagem (%) | (Total de clientes ativos beneficiários de PTR ÷ Total de clientes ativos) x 100 | |
| | | | | Porcentagem de saques de Bolsa Família realizados na instituição em relação ao total de clientes Bolsa Família | 3 | Quantitativa - porcentagem (%) | (Total de saques de Bolsa Família realizados ÷ total de clientes Bolsa Família) x 100 | |
| | | | 2.1.4. Atendimento da população em situação de pobreza e miséria | Percentual de Clientes com perfil de renda inferior a R\$ 70,00 per capita | 1 | Quantitativa - porcentagem (%) | (Total de clientes ativos com renda igual ou menor que R\$ 70,00 per capita ÷ total de clientes ativos) x 100 | |
| | | | 2.1.5. Atendimento com foco na condição desigual de gênero | Porcentagem de clientes mulheres | 3 | Quantitativa - porcentagem (%) | (Total de clientes ativos mulheres ÷ total de clientes ativos) x 100 | |
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Annex 3: Matrix of Indicators

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|---------------------------------------|---|---|--|--|---|
| 2.1.7. Inclusão Financeira e Bancária | Número de clientes cujo primeiro crédito foi concedido pela instituição de referência | 3 | Quantitativo - Números Absolutos | | |
| | Número de clientes cujo primeiro microsseguros foi concedido pela instituição de referência | 3 | Quantitativo - Números Absolutos | | |
| | Porcentagem de clientes exclusivos por tipo de serviço financeiro | 3 | Quantitativa - porcentagem (%) | (Total de clientes ativos exclusivos de cada tipo de serviço financeiro ÷ total de clientes ativos) x 100 | microrédito; microseguro; correspondente negocial; correspondente transacional; outros |
| | Distribuição de faixas de renda dos clientes de crédito | 1 | Quantitativo - Números Absolutos | | até 1/2 SM, de 1/2 SM até 1 SM, de 1 SM até 2 SM, de 2 SM até 4 SM, acima de 4 SM |
| | Distribuição de faixas de renda dos clientes de microsseguros | 1 | Quantitativo - Números Absolutos | | até 1/2 SM, de 1/2 SM até 1 SM, de 1 SM até 2 SM, de 2 SM até 4 SM, acima de 4 SM |
| | Porcentagem de clientes ativos com conta bancária aberta em relação ao total de clientes ativos | 1 | Quantitativa - porcentagem (%) | (Total de clientes ativos com conta bancária aberta ÷ total de clientes ativos) x 100 | |
| | Distribuição das Médias mensais de saques por benefícios do INSS, da Bolsa Família, da Aposentadoria e de outros | 1 | Quantitativo - Números Absolutos | (Soma de saques mensais de cada tipo de benefício ÷ 12 meses) | Beneficiários de INSS; Beneficiários do Bolsa Família; Beneficiários de Aposentadoria; Outros |
| | Porcentagem de clientes ativos que indicam percepção de redução no tempo de deslocamento e recursos para realização de atividades bancárias | 2 | Quantitativa - porcentagem (%) - Universo Amostral | (Total de clientes ativos que indicam percepção de redução no tempo de deslocamento e recursos para a realização de atividades bancárias ÷ Total de clientes ativos) x 100 | |

Annex 3: Matrix of Indicators

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| | | 2.2. Educação financeira dos empreendimentos/ negócios e indivíduos | 2.2.1. Percepção sobre capacidade de poupança e organização do orçamento | Porcentagem de clientes ativos que justificam a melhor organização do orçamento em função do vínculo com a instituição | 2 | Quantitativa - porcentagem (%) - Universo Amostral | (Total de clientes ativos que justificam melhor organização do orçamento em função do vínculo com a instituição ÷ total de clientes ativos) x 100 | |
| | | | | Porcentagem de clientes ativos que justificam a maior capacidade de poupança em função do vínculo com a instituição | 2 | Quantitativa - porcentagem (%) - Universo Amostral | (Total de clientes ativos que justificam maior capacidade de poupança em função do vínculo com a instituição ÷ total de clientes ativos) x 100 | |
| | | | | Porcentagem de clientes ativos que indicam a percepção de redução de dependência de relações de exploração/informais no acesso a recursos financeiros (uso de agiotas) | 2 | Quantitativa - porcentagem (%) - Universo Amostral | (Total de clientes ativos que indicam a percepção de redução de dependência de relações de exploração/ informais no acesso a recursos financeiros ÷ total de clientes ativos) x 100 | |
| | | | | Porcentagem de clientes ativos que indicam redução no número de vezes que as questões financeiras interferiram no trabalho ou em outras atividades | 2 | Quantitativa - porcentagem (%) - Universo Amostral | (Total de clientes ativos que indicam redução no número de vezes que as questões financeiras interferiram no trabalho ou noutras atividades ÷ total de clientes ativos) x 100 | |
| | | | 2.2.2. Ampliação do conhecimento e diversificação do uso de produtos financeiros da instituição de referência | Porcentagem de clientes que utilizam mais de dois serviços da instituição de referência | 2 | Quantitativa - porcentagem (%) - Universo Amostral | (Total de clientes que informam utilizar mais de um produto financeiro da instituição ÷ Total de clientes ativos) x 100 | |
| | | | | Porcentagem de clientes que indicam ter conhecimento sobre os diversos produtos financeiros e bancários disponíveis na instituição de referência | 2 | Quantitativa - porcentagem (%) - Universo Amostral | (Total de clientes ativos que indicam ter conhecimento sobre diversos produtos financeiros e bancários disponíveis na instituição de referência ÷ Total de clientes ativos) x 100 | |
| | | | | Porcentagem de clientes que justificam o acesso à produtos de outros bancos pelo vínculo com a instituição de referência | 2 | Quantitativa - porcentagem (%) - Universo Amostral | (Total de clientes que justificam o acesso à produtos de outros bancos pelo vínculo com a instituição de referência ÷ total de clientes ativos) x 100 | |
| | | | 2.2.3. Oferta de serviços financeiros e bancários a partir de novas tecnologias | Número de tecnologias ofertadas à comunidade pela instituição | 1 | Quantitativo - Números Absolutos e Texto | Lista e Soma | |
| | | | | Números de produtos oferecidos através das novas tecnologias | | | | |
| | | | | Número de campanhas realizadas abordando as novas tecnologias ofertadas pela instituição | 1 | Quantitativo - Números Absolutos | | |
| | | | | Porcentagem de clientes ativos que utilizam as tecnologias | 3 | Quantitativo - Porcentagem (%) - Universo Amostral e total | (Total de clientes ativos que utilizam as novas tecnologias ÷ Total de clientes) x 100 | |

Annex 3: Matrix of Indicators

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| | | | | 2.2.3. Créditos concedidos e serviços prestados com orientação e acompanhamento | Número de Créditos concedidos condicionados à orientações | 2 | Quantitativo - Porcentagem (%) - Universo Amostral | (Total de número de microcréditos ativos concedidos condicionados à orientações ÷ Total de microcrédito ativos) x 100 | |
| | | | | | Número de Créditos à empreendimentos/ negócios acompanhados no ano de referência | 3 | Quantitativo - Números Absolutos | | |
| | | | | | Distribuição de porcentagem de clientes ativos que indicam ter conhecimento sobre implicações da concessão de crédito (taxa da juros, prazo de pagamento, valor de parcelas e microsseguro) | 2 | Quantitativa - porcentagem (%) - Universo Amostral | (Total de clientes ativos que indicam ter conhecimento sobre uma das implicações financeiras da concessão de crédito ÷ total de clientes ativos) x 100 | taxa da juros; prazo de pagamento; valor de parcelas; microsseguro; outros |
| | 3. Fomentar o desenvolvimento socioeconômico territorial | 3.1. Movimentação econômica da comunidade (produção e consumo) | 3.1.1. Maior volume de recursos nos empreendimentos/ negócios locais | Volume de créditos produtivos locais | 1 | Quantitativo - Números Absolutos em R\$ (reais) | | | |
| | | | | Porcentagem de aumento médio dos faturamentos dos clientes ativos, em Reais, no período de um ano | 2 | Quantitativa - porcentagem (%) - Universo Amostral (sistema para quem pega + 1) | ((Soma do total de faturamento último mês do anos - Soma do Total de faturamento mês 1) ÷ Soma do Total de faturamento mês 1) x 100) ÷ total de clientes ativos) | | |
| | | | | Porcentagem de aumento médio de rendimento dos clientes ativos, em Reais, no período de um ano | 2 | Quantitativa - porcentagem (%) - Universo Amostral | ((Soma do total de rendimento último mês do anos - Soma do Total de rendimento mês 1) ÷ Soma do Total de rendimento mês 1) x 100) ÷ total de clientes ativos) | | |
| | | | 3.1.2. Circulação da Moeda Social | Número de comércios que aceitam a moeda social | 1 | Quantitativo - Números Absolutos | | | |
| | | | | Volume de moeda social em circulação | 1 | Quantitativo - Números Absolutos em R\$ (reais) | | | |
| | | | | Porcentagem de empreendimentos/ negocios comprometido com o desenvolvimento comunitario | 2 | Quantitativo - Multipla Escolha - Mais de uma alternativa - porcentagem (%) - Universo Amostral | (Numero de empreendimentos/ negocios que indicaram ao menos um dos principios ÷ Total de empreendimentos/ negocios que sao clientes ativos) x 100 Sim ou não | Aceita a moeda social local; Os produtos são adquiridos na comunidade; Participa de feiras de economia solidária; Participa da organização de eventos da comunidade; Empregados que são moradores da comunidade; Faz doação para alguma instituição comunitária do bairro; Compra seus mantimentos na comunidade | |
| | | | 3.1.3. Investimentos externos na comunidade. | Porcentagem de recursos injetados diretamente na comunidade dentre todos os recursos de projetos da instituição para a comunidade | 1 | Quantitativa - porcentagem (%) | ((Soma do total de recursos de projetos da instituição - Soma do total de recursos destinados à consultores e agentes externos à comunidade) ÷ Total de recursos de projetos da instituição) x 100 | | |

Annex 3: Matrix of Indicators

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| | | | 3.2. Articulação de rede solidária local de produção e consumo | 3.2.1. Aumento, diversidade e descentralização territorial dos empreendimentos/ negócios locais | Distribuição territorial (Hotspot) dos empreendimentos/ negócios da comunidade | 1 e 4 (Associação Comercial) | | | |
| | | | | | Porcentagem de clientes por tipo de atividade econômica | 3 | Quantitativa - porcentagem (%) | (Total de clientes por tipo de atividade ÷ Total de Clientes ativos) x 100 | Comércio; Serviços; Agropecuária; Extrativismo; Indústria; Construção Civil; ONG/OSCIP; Cultura, Lazer e turismo; Outros |
| | | | | | Distribuição de porcentagem de novos empreendimentos/ negócios iniciados a partir da concessão de crédito por tipo de atividade | 3 | Quantitativa - porcentagem (%) | (Total de novos empreendimentos/ negócios ÷ Total de microcréditos concedidos) x 100 | Comércio; Serviços; Agropecuária; Extrativismo; Indústria; Construção Civil; ONG/OSCIP; Cultura, Lazer e turismo; Outros |
| | | | | | Porcentagem de empreendimentos/ negócios que indicam aumento de investimentos nos seus empreendimentos/ negócios | 2 | Quantitativa - porcentagem (%) - Universo Amostral | (Número de empreendimentos/ negócios que indicam aumento de investimentos nos seus empreendimentos e negócios ÷ Total de clientes empreendimentos/ negócios ativos) x 100 | |
| | | | | 3.2.2. Maior incentivo para a compra local - entre produtores, empreendedores locais e consumidores | Número de estabelecimentos que indicam ter ocorrido aumento de consumo de produtos produzidos na comunidade por período definido | 2 | Quantitativo - Números Absolutos - Universo Amostral | (Total de estabelecimentos que indicam ter ocorrido aumento de consumo de produtos da comunidade ÷ Total de estabelecimentos) x 100 | |
| | | | | | Número de estabelecimentos com aumento de consumo | 1 | Quantitativo - Números Absolutos | | |
| | | | | | Porcentagem de clientes ativos que indicam comprar a maioria dos itens de primeira necessidade nos empreendimentos/ negócios da comunidade (alimentação, higiene pessoal e beleza, material de limpeza) | 2 | Quantitativa - porcentagem (%) - Universo Amostral | (Total de clientes ativos que indicam comprar a maioria dos itens de primeira necessidade nos empreendimento/negócios da comunidade ÷ Total de clientes ativos) x 100 | Alimentação; Higiene Pessoal e Beleza; Material de Limpeza; Outros |
| | | | | | Porcentagem de empreendimentos/ negócios com crédito concedido que indicam comprar os suprimentos e matéria-prima na/da comunidade | 2 | Quantitativa - porcentagem (%) - Universo Amostral | (Número de empreendimentos/ negócios com crédito concedido que indicam comprar os suprimentos e matéria-prima na/da comunidade ÷ Total de clientes) x 100 | |
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Annex 3: Matrix of Indicators

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| | | | 3.3. Promoção do desenvolvimento socioeconômico | 3.3.1. Fixação das ofertas de empregos e trabalhos dentro da comunidade e da instituição (BCD) | Número de empreendimentos/ negócios novos na comunidade, no ano de referência | 3 | Quantitativo - Números Absolutos | | |
| | | | | | Número de postos de trabalho gerados nos empreendimentos/ negócios clientes da instituição | 3 | Quantitativo - Números Absolutos | | Formal; Informal |
| | | | | | Número de postos de trabalho mantidos nos empreendimentos/ negócios clientes da instituição | 3 | Quantitativo - Números Absolutos | | Formal; Informal |
| | | | | 3.3.2. Fortalecimento de vínculo dos jovens com o território | Número de jovens (de 18 a 24 anos) empregados nos empreendimentos/ negócios tomadores de crédito | 3 | Quantitativo - Números Absolutos | | |
| | | | | | Porcentagem de clientes jovens (de 18 a 24 anos) que tomaram crédito | 1 | Quantitativa - porcentagem (%) | (Total de clientes de 18 à 24 anos de idade ÷ Total de clientes ativos) x 100 | |
| | | | | 3.3.2. Aumento na autonomia para administrar a renda familiar | Porcentagem de clientes que indicam uma percepção de aumento de receita do negócio a partir da oferta de crédito | 2 | Quantitativo - Números Absolutos - Universo Amostral | (Total de clientes que indicam uma percepção de aumento de receita do negócio a partir da oferta de microcrédito ÷ Total de clientes ativos) x 100 | |
| | | | | | Porcentagem de clientes ativos que indicaram aumento da renda média familiar por decorrência da tomada de crédito | 2 | Quantitativa - porcentagem (%) - Universo Amostral | (Total de clientes ativos que indicaram aumento da renda média familiar por decorrência da tomada de crédito ÷ Total de clientes ativos) x 100 | |
| | | | | | Porcentagem de clientes ativos que indicam haver maior tempo para lazer pela disponibilidade e acesso de serviços financeiros e bancários | 2 | Quantitativa - porcentagem (%) - Universo Amostral | (Total de clientes ativos que indicam haver maior tempo para lazer pela disponibilidade e acesso de serviços financeiros e bancários ÷ Total de clientes ativos) x 100 | |
| | | | | | Porcentagem de clientes ativos que indicam percepção de aumento da segurança financeira pela disponibilidade e acesso de serviços financeiros e bancários | 2 | Quantitativa - porcentagem (%) | (Total de de clientes ativos que indicam percepção de aumento da segurança financeira pela disponibilidade e acesso de serviços financeiros e bancários ÷ Total de clientes ativos) x 100 | |
| | | | | | Porcentagem de clientes que indicam ter ocorrido melhoria nas condições de vida a partir do acesso à serviços e produtos financeiros | 2 | Quantitativo - Números Absolutos - Universo Amostral | (Número de clientes que indicam ter ocorrido melhoria nas condições de vida a partir do acesso à serviços e produtos financeiros ÷ Total de clientes) x 100 | |

Social Ownership Axis

| | | | | | | | | |
|-----------------|--|--|---|---|----------------|--|---|-----------------|
| CONTROLE SOCIAL | 4. Fortalecer a atuação da comunidade na condução de seu processo de desenvolvimento territorial | 4.1. Ampliação da credibilidade da comunidade | 4.1.1. Capacidade de negociações com o poder público | Número de órgãos públicos parceiros/ investidores | 1 e 4 (Feco I) | Quantitativo - Números Absolutos | | |
| | | | | Número de políticas públicas adotadas em prol da comunidade | 1 | Quantitativo - Números Absolutos | | |
| | | | | Número de equipamentos/ serviços públicos resultado da intervenção da instituição | 1 | Quantitativo - Números Absolutos | | |
| | | | 4.1.2. Articulação para implantar serviços públicos na comunidade | Número de participações da instituição em espaços de discussão coletiva | 1 | Quantitativo - Números Absolutos | | |
| | | | | Número de eventos realizados pela instituição na comunidade | 1 | Quantitativo - Números Absolutos | | |
| | | | | Porcentagem de moradores da comunidade empregados na instituição em cargos de direção ou chefia | 1 | Quantitativo - porcentagem (%) | (Total de trabalhadores moradores da comunidade em cargos de direção e chefia ÷ Total de trabalhadores em cargos de direção e chefia) x 100 | |
| | | 4.2. Participação da comunidade na gestão da instituição | 4.2.1. Participação da comunidade como trabalhadores da instituição e em cargos de decisão | Porcentagem de moradores da comunidade empregados na instituição | 1 | Quantitativo - Números Absolutos | (Total de trabalhadores moradores da comunidade ÷ Total de trabalhadores) x 100 | |
| | | | | Número de documentos (flyers, folders, publicações, anuários) publicados pela instituição | 1 | Quantitativo - Números Absolutos | | |
| | | | | Existência de Fórum (espaço público de discussão) | 1 | Qualitativo - Multipla Escolha - Alternativa única | sim ou não | |
| | | | 4.2.2. Discussão pública sobre a instituição, difusão de informações de resultados da instituição e prestação de contas com a comunidade, Participação da comunidade no planejamento e monitoramento da instituição | Média mensal de participantes no Fórum | 1 | Quantitativo - Números Absolutos | (Soma total de participantes / Total de encontros) | Total; Mulheres |
| | | | | Frequência média de pautas referentes à instituição nos espaços de discussão coletiva fomentados pela instituição | 1 e 4 (Feco I) | Quantitativo - Números Absolutos | Total de pautas sobre a instituição ÷ Total de pautas | |
| | | | | Número de membros da Associação gestora do Banco que contribuem nas decisões | 1 | Quantitativo - Números Absolutos | | (mulheres) |
| | | | | Número de empreendimentos/ negócios que contribuem nas decisões | 1 | Quantitativo - Números Absolutos | | |
| | | | | Número de serviços/ projetos da instituição que foram sugeridos pela comunidade | 1 | Quantitativo - Números Absolutos | | |
| | | | | Volume de capital da instituição que tem origem na comunidade | 1 | Quantitativo - Números Absolutos - em R\$ (Reais) | | |
| | | | | Porcentagem de clientes ativos que indicam proximidade dos gestores da instituição às suas sugestões e queixas | 2 | Quantitativa - porcentagem (%) - Universo Amostral | (Total de clientes ativos que indicam proximidade dos gestores da instituição às suas sugestões e queixas ÷ total de clientes ativos) x 100 | |
| | | | | Existência de mecanismo para absorver e responder às queixas dos clientes | 1 | Qualitativo - Alternativa multipla - opção única | sim ou não | |
| | | | | Porcentagem dos serviços e projetos da instituição que foram elaborados pela comunidade | 1 | Quantitativa - porcentagem (%) | (Total de serviços e projetos da instituição que foram sugeridos pela comunidade ÷ Total de serviços e projetos da instituição) x 100 | |

Capabilities Development Axis

| | | | | | | | | |
|---------------------------------|---|---|--|---|---|--|---|--|
| DESENVOLVIMENTO DAS CAPACIDADES | 5. Promover o desenvolvimento das habilidades de indivíduos e empreendimentos/ negócios fortalecendo o desenvolvimento comunitário e o desempenho institucional | 5.1. Promoção de conhecimento que potencialize as capacidades das pessoas, especialmente dos grupos mais necessitados das comunidades | 5.1.1. Participação da comunidade em encontros ou atividades promovidas pela instituição | Média de participantes por encontro realizado | 1 | Quantitativo - Números Absolutos | (Total de participantes ÷ Total de encontros realizados) | |
| | | | | Número de pessoas que recebem treinamento baseado em grupo a partir da organização | 1 | Quantitativo - Números Absolutos | | |
| | | | | Número de empreendimentos/ negócios que recebem formação individual da organização | 1 | Quantitativo - Números Absolutos | | |
| | | | | Número de empreendimentos/ negócios que recebem treinamento da organização durante o período coberto pelo relatório por ramo de atividade | 1 | Quantitativo - Números Absolutos | | Comércio; Serviços; Agropecuária; Extrativismo; Indústria; Construção Civil; ONG/OSCIP; Cultura, Lazer e turismo; Outros |
| | | | | Porcentagem de clientes ativos que participaram dos treinamentos sobre o total de pessoas que participaram dos treinamentos | 3 | Quantitativo - Porcentagem (%) | (Total clientes ativos que participaram dos treinamentos ÷ Total de pessoas que participaram dos treinamentos) x 100 | Total, Mulheres, Jovens de 18 até 24 anos |
| | | | | Porcentagem mulheres que participaram dos treinamentos sobre o total de clientes ativos mulheres | 3 | Quantitativo - Porcentagem (%) | (Total de mulheres que participaram dos treinamentos ÷ Total de clientes ativos mulheres) x 100 | |
| | | | | Porcentagem jovens 18 até 24 anos que participaram dos treinamentos sobre o total de clientes ativos jovens 18 até 24 anos | 3 | Quantitativo - Porcentagem (%) | (Total de jovens 18 até 24 anos que participaram dos treinamentos ÷ Total de clientes ativos jovens 18 até 24 anos) x 100 | |
| | | | 5.1.2. Envolvimento da comunidade em campanhas educativas promovidas pela instituição | Número de campanhas realizadas pela instituição | 1 | Quantitativo - Números Absolutos e Texto | | Lista de campanhas |
| | | | 5.1.3. Serviços Não Financeiros aos Clientes (MIX) | Número de participantes nas capacitações a microempresas | 1 | Quantitativo - Números Absolutos | | |
| | | | | Número de participantes nos cursos de educação | 1 | Quantitativo - Números Absolutos | | |
| | | | | Número de participantes mulheres nos treinamentos | 1 | Quantitativo - Números Absolutos | | |

Annex 3: Matrix of Indicators

| | | | | | | | | | |
|--|--|--|--|--|---|---|----------------------------------|---|--|
| | | | 5.2 Articulação de projetos/ programas aos produtos e serviços financeiros | 5.2.1. Parcerias e realização de projetos/ programas | Número de pessoas atendidas por projetos/ programas | 1 | Quantitativo - Números Absolutos | | |
| | | | | | Número de Instituições parceiras para a realização de projetos/ programas | 1 | Quantitativo - Números Absolutos | | |
| | | | | | Número de Instituições financiadoras para a realização de projetos/ programas | 1 | Quantitativo - Números Absolutos | | |
| | | | | | Número de programas/ projetos realizados pela instituição | 1 | Quantitativo - Números Absolutos | | |
| | | | | | Número de programas/ projetos parceiros da instituição | 1 | Quantitativo - Números Absolutos | | |
| | | | | 5.2.2. Ampliação da capacidade de busca ativa de clientes e de sua fidelização | Número de produtos elaborados a partir do perfil dos participantes dos programas/ projetos | 1 | Quantitativo - Números Absolutos | | |
| | | | | | Porcentagem de participantes dos programas/ projetos que se tornaram clientes | 1 | Quantitativa - porcentagem (%) | (Total de participantes que clientes ativos ÷ Total de participantes dos projetos/programas) x 100 | |
| | | | | | Número de clientes participantes dos programas/ projetos que diversificaram os serviços financeiros que usam | 1 | Quantitativo - Números Absolutos | | |
| | | | | | Media de produtos/serviços financeiros dos clientes que participaram em projetos sobre Media de produtos/serviços financeiros dos clientes do banco | 3 | Quantitativo - Números Absolutos | (Soma do Número de produtos por cliente que participaram do projetos/ Soma número de cliente que participaram de programas/projetos) ÷ (Soma do Número de produtos por clientes/ Soma de clientes ativos) | |
| | | | | | Porcentagem de clientes que participaram em projetos e que acessaram um o mais produtos financeiros adicionais do banco | 3 | Quantitativa - porcentagem (%) | (Total clientes que participaram em projetos e que acessaram um o mais produtos financeiros adicionais ÷ Total de clientes que tomaram um ou mais produto) x 100 | |

Annex 3: Matrix of Indicators

| | | | | | | | | | |
|--|--|--|--|--|--|---|----------------------------------|--|--|
| | | | 5.3 Melhoria da instituição através da melhoria da situação dos clientes | 5.3.1. Redução de risco da carteira | Razão de Porcentagem de participantes dos programas/projetos com carteira em dia em relação a Porcentagem de clientes ativos com carteira em dia (redução da inadimplência) | 1 | Quantitativa - porcentagem (%) | $(\text{Total de participantes que são clientes ativos com carteira em dia} \div \text{Total de Participantes}) \div (\text{Total de clientes ativos com carteira em dia} \div \text{Total de clientes ativos})$ | |
| | | | 5.4 Melhoria da comunidade através da melhoria da situação dos clientes | 5.4.1. Estimulo a novos empreendimentos/ negócios e iniciativas a partir dos programas/ projetos | Número de novos empreendimentos/ negócios e iniciativas a partir dos programas/ projetos | 1 | Quantitativo - Números Absolutos | $(\text{Total de participantes que são clientes ativos para novos empreendimentos dentro o total de participantes do programa})$ | |
| | | | | | Número de postos de trabalho dos novos empreendimentos/ negócios e iniciativas a partir dos programas/ projetos | 1 | Quantitativo - Números Absolutos | | |
| | | | | | Porcentagem de clientes que participaram dos programas/projetos que iniciaram um novo negócio/empreendimento ou conseguiram emprego/trabalho a partir do programa/projeto (Qualitativo - Sim ou Não) | 2 | | | |
| | | | | | Porcentagem de clientes participantes dos programas/projetos que justificam uma melhora na qualidade de vida a partir do programa em relação ao total de clientes que indicaram a mesma melhora | 2 | | | |
| | | | | | Porcentagem de clientes que participaram dos programas/projetos que afirmam sentir uma melhor na capacidade de planejamento e organização a partir do programa/projeto | 2 | | | |

Annex 4: Management Scorecards

Version 1: immediate use

Version 2: long-term use

Version 1 (immediate use)

MANAGEMENT SCORECARD
BANCOS COMUNITARIOS DE DESARROLLO (CDBs)

VISION: TBD

MISSION: Implantar programas e projetos de trabalho e geração de renda, utilizando sistemas econômicos solidários, na perspectiva de superação da pobreza urbana.

| CONTROLE SOCIAL 4. Fortalecer a atuação da comunidade na condução de seu processo de desenvolvimento territorial | Macroindicators | Indicators | Frequency | Results | Targets | Initiatives | Responsible Unit |
|---|---|---|-------------|---------|---------------|-------------|----------------------|
| | 4.2.2. Discussão pública sobre a instituição, difusão de informações de resultados da instituição e prestação de contas com a comunidade, Participação da comunidade no planejamento e monitoramento da instituição | Média mensal de participantes no Fórum | Monthly | 60 | 80 | | |
| | 4.2.2. Discussão pública sobre a instituição, difusão de informações de resultados da instituição e prestação de contas com a comunidade, Participação da comunidade no planejamento e monitoramento da instituição | Número de serviços/ projetos da instituição que foram sugeridos pela comunidade | Semi-annual | 2 | 4 | | |
| INCLUSÃO SOCIOECONOMICA 2. Promover a inclusão e educação financeira dos indivíduos e empreendimentos/ negócios da comunidade | Macroindicators | Indicators | Frequency | Results | Targets | Initiatives | Responsible Unit |
| | 2.1.5. Atendimento com foco na condição desigual de gênero | Porcentagem de clientes mulheres | Monthly | 0.61 | 0.7 | | |
| | 3.1.1. Maior volume de recursos nos empreendimentos/ negócios locais | Volume de créditos produtivos locais | Monthly | 571320 | 1500000 | | |
| | 3.1.2. Circulação da Moeda Social | Volume de moeda social em circulação | Monthly | 320020 | 600000 | | |
| DESENVOLVIMENTO DAS CAPACIDADES 5. Promover o desenvolvimento das habilidades de indivíduos e empreendimentos/ negócios fortalecendo o desenvolvimento comunitário e o desempenho institucional | Macroindicators | Indicators | Frequency | Apr | Targets | Initiatives | Responsible Unit |
| | 5.1.1. Participação da comunidade em encontros ou atividades promovidas pela instituição | Média de participantes por encontro realizado | Monthly | 80 | 75 | | |
| | 5.2.1. Parcerias e realização de projetos/ programas | Número de programas/ projetos realizados pela instituição | Monthly | 4 | 4 | | |
| DESEMPENHO INSTITUCIONAL 1. Garantir estrutura institucional capaz de fortalecer a sua atuação | Macroindicators | Indicators | Frequency | Apr | Yearly Target | Initiatives | Responsible Unit |
| | 1.3.3. Diversificação de produtos microfinanceiros | Distribuição dos clientes por tipo de produto financeiro | Monthly | | | | |
| | 1.4.2. Abrangência | Número de clientes ativos - MIX | Monthly | 2070 | 3000 | 0 | Business Development |
| | 1.4.3. Performance Financeira | Número de clientes ativos por trabalhador do escritório - MIX | Monthly | 220 | 400 | 0 | 0 |
| | 1.4.2. Abrangência | Carteira bruta de crédito - MIX | Monthly | 1172000 | 3000000 | 0 | 0 |
| | 1.4.3. Performance Financeira | mês - MPESA | Monthly | 25500 | 35000 | 0 | 0 |
| | 1.4.4. Risco e Liquidez (MIX) | Carteira em risco - MIX | Monthly | 70320 | 150000 | 0 | 0 |

Annex 4: Management Scorecards

Version 2 (long-term use)

MANAGEMENT SCORECARD BANCOS COMUNITARIOS DE DESARROLLO (CDBs)

VISION: TBD

MISSION: Implantar programas e projetos de trabalho e geração de renda, utilizando sistemas econômicos solidários, na perspectiva de superação da pobreza urbana.

| CONTROLE SOCIAL 4. Fortalecer a atuação da comunidade na condução de seu processo de desenvolvimento territorial | Macroindicators | Indicators | Frequency | Jan | Feb | Mar | Apr | Yearly Target | Initiatives | Responsible Unit |
|---|---|---|-------------|-----|-----|-----|-----|---------------|-------------|------------------|
| | 4.2.2. Discussão pública sobre a instituição, difusão de informações de resultados da instituição e prestação de contas com a comunidade. Participação da comunidade no planejamento e monitoramento da instituição | Média mensal de participantes no Fórum | Monthly | 45 | 52 | 48 | 60 | 80 | | |
| | 4.2.2. Discussão pública sobre a instituição, difusão de informações de resultados da instituição e prestação de contas com a comunidade. Participação da comunidade no planejamento e monitoramento da instituição | Número de serviços/ projetos da instituição que foram sugeridos pela comunidade | Semi-annual | 1 | 0 | 1 | 2 | 4 | | |

| Jan* | Feb* | Mar* | Apr* | Yearly Target |
|------|------|------|------|---------------|
| 80 | 80 | 80 | 80 | 80 |
| 4 | 4 | 4 | 4 | 4 |

| INCLUSÃO SOCIOECONOMICA 2. Promover a inclusão econômica financeira de indivíduos e empreendimentos/ negócios da comunidade | Macroindicators | Indicators | Frequency | Jan | Feb | Mar | Apr | Yearly Target | Initiatives | Responsible Unit |
|---|--|--------------------------------------|-----------|---------|---------|---------|---------|---------------|-------------|------------------|
| | 2.1.5. Atendimento com foco na condição desigual de gênero | Porcentagem de clientes mulheres | Monthly | 60% | 62% | 60% | 61% | 70% | | |
| | 3.1.1. Maior volume de recursos nos empreendimentos/ negócios locais | Volume de créditos produtivos locais | Monthly | 587.808 | 540.175 | 568.288 | 571.320 | 1.500.000 | | |
| | 3.1.2. Circulação da Moeda Social | Volume de moeda social em circulação | Monthly | 315.200 | 317.150 | 319.800 | 320.020 | 600.000 | | |

| Jan* | Feb* | Mar* | Apr* | Yearly Target |
|---------|---------|---------|---------|---------------|
| 70% | 70% | 70% | 70% | 70% |
| 500.000 | 550.000 | 600.000 | 700.000 | 1.500.000 |
| 320.000 | 350.000 | 380.000 | 400.000 | 600.000 |

| DESENVOLVIMENTO DAS CAPACIDADES 5. Promover o desenvolvimento das habilidades empreendedoras e fortalecer o desenvolvimento comunitário e o desempenho institucional | Macroindicators | Indicators | Frequency | Jan | Feb | Mar | Apr | Yearly Target | Initiatives | Responsible Unit |
|---|--|---|-----------|-----|-----|-----|-----|---------------|-------------|------------------|
| | 5.1.1. Participação da comunidade em encontros ou atividades promovidas pela instituição | Média de participantes por encontro realizado | Monthly | 60 | 30 | 80 | 80 | 75 | | |
| | 5.2.1. Parcerias e realização de projetos/ programas | Número de programas/ projetos realizados pela instituição | Monthly | 3 | 3 | 2 | 4 | 4 | | |

| Jan* | Feb* | Mar* | Apr* | Yearly Target |
|------|------|------|------|---------------|
| 50 | 50 | 50 | 75 | 75 |
| 4 | 4 | 4 | 4 | 4 |

| DESEMPENHO INSTITUCIONAL 1. Garantir a atuação institucional capaz de fortalecer a sua atuação | Macroindicators | Indicators | Frequency | Jan | Feb | Mar | Apr | Yearly Target | Initiatives | Responsible Unit |
|---|--|---|-----------|-----------|-----------|-----------|-----------|---------------|-------------|----------------------|
| | 1.3.3. Diversificação de produtos microfinanceiros | Distribuição dos clientes por tipo de produto financeiro | Monthly | | | | | | | |
| | | Productivos | Monthly | 32% | 31% | 32% | 30% | 30% | | |
| | | Consumo | Monthly | 28% | 26% | 24% | 26% | 30% | | |
| | | Emergencia | Monthly | 40% | 43% | 44% | 44% | 40% | | |
| | 1.4.2. Abrangência | Número de clientes ativos - MIX | Monthly | 2041 | 2050 | 2065 | 2070 | 3000 | | Business Development |
| | 1.4.3. Performance Financeira | Número de clientes ativos por trabalhador do escritório - MIX | Monthly | 100 | 171 | 220 | 220 | 400 | | |
| | 1.4.2. Abrangência | Carteira bruta de crédito - MIX | Monthly | 1.000.000 | 1.089.000 | 1.100.000 | 1.172.000 | 3.000.000 | | |
| | 1.4.3. Performance Financeira | Média de número de transações por mês - MPESA | Monthly | 25.000 | 25.000 | 25.500 | 25.500 | 35.000 | | |
| | 1.4.4. Risco e Liquidez (MIX) | Carteira em risco - MIX | Monthly | 50.000 | 65.340 | 66.000 | 70.320 | 150.000 | | |

| Jan* | Feb* | Mar* | Apr* | Yearly Target |
|-----------|-----------|-----------|-----------|---------------|
| 30% | 30% | 30% | 30% | 30% |
| 30% | 30% | 30% | 30% | 30% |
| 40% | 40% | 40% | 40% | 40% |
| 2000 | 2100 | 2100 | 2200 | 3000 |
| 100 | 200 | 250 | 300 | 400 |
| 1.000.000 | 1.150.000 | 1.170.000 | 1.171.000 | 3.000.000 |
| 25.000 | 26.000 | 26.500 | 27.000 | 35.000 |
| 50.000 | 57.500 | 58.500 | 58.550 | 150.000 |

TARGETS

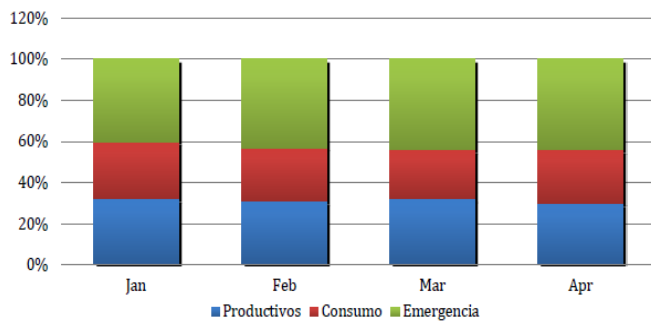
Version 2: Graphics (w/ sample data)

* Identify performance gaps, areas where the organization must reach a higher level:

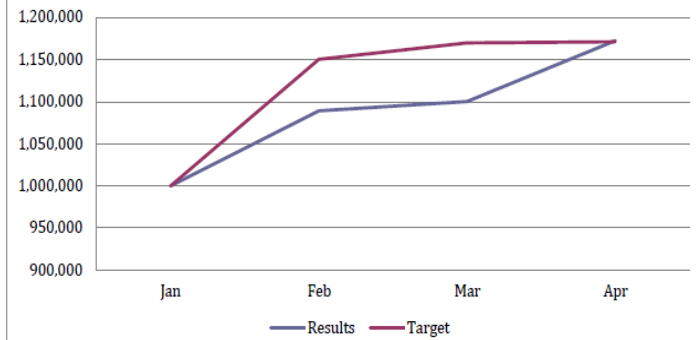
DESEMPENHO INSTITUCIONAL

1. Garantir estrutura institucional capaz de fortalecer a sua atuação

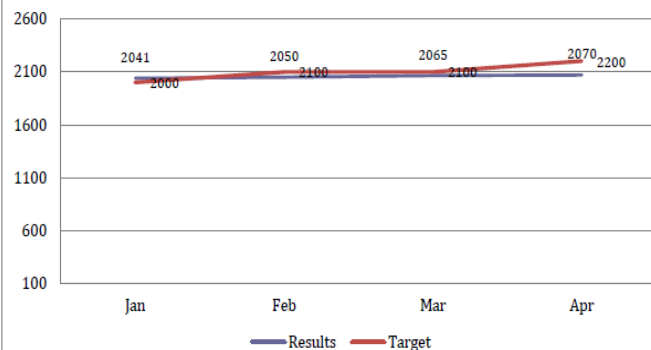
Distribuição dos clientes por tipo de produto financeiro



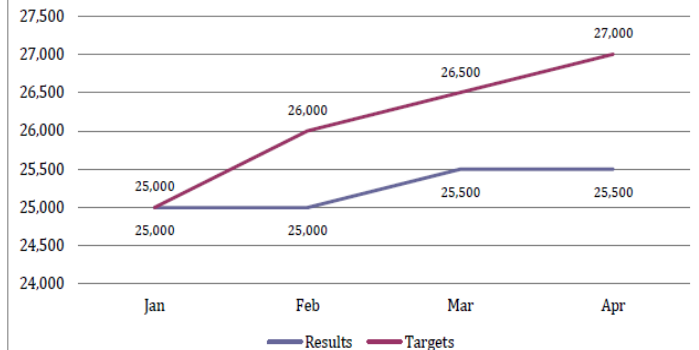
Carteira bruta de crédito - MIX



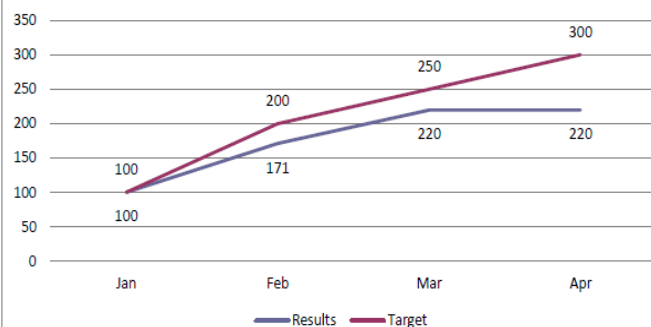
Número de clientes ativos - MIX



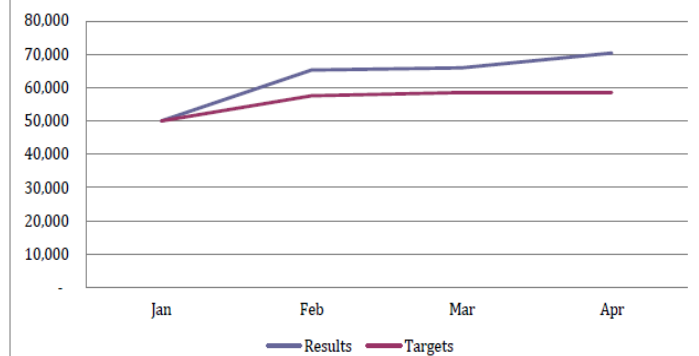
Média de número de transações por mês - MPESA



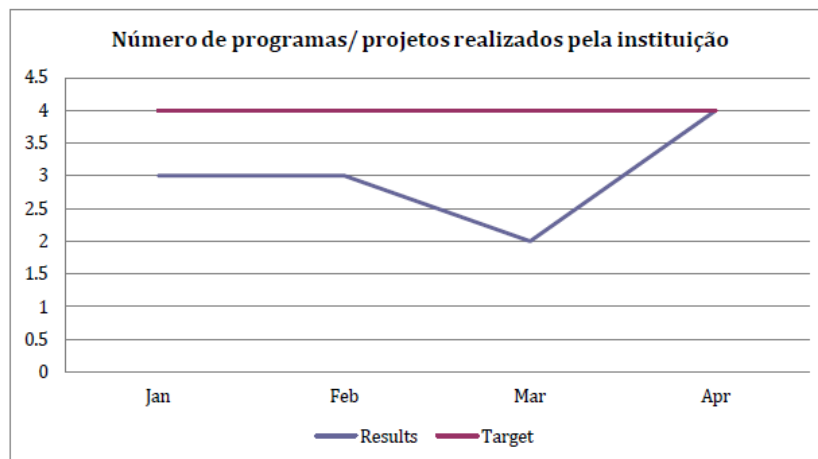
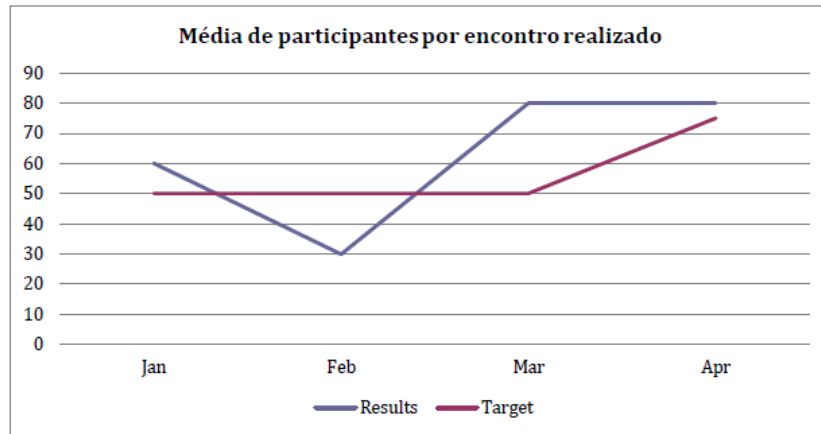
Número de clientes ativos por trabalhador do escritório - MIX



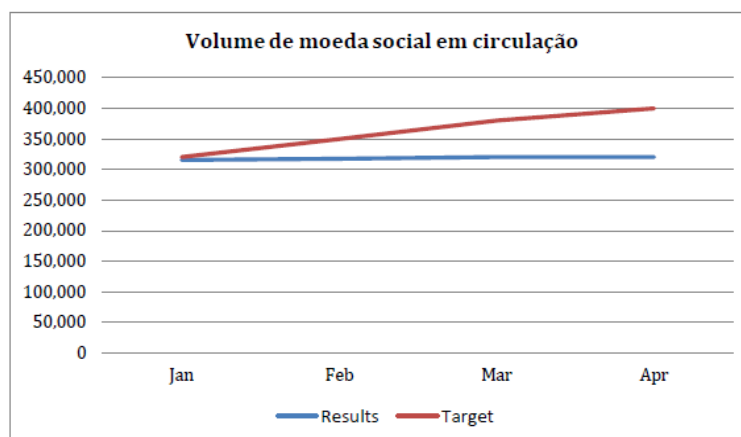
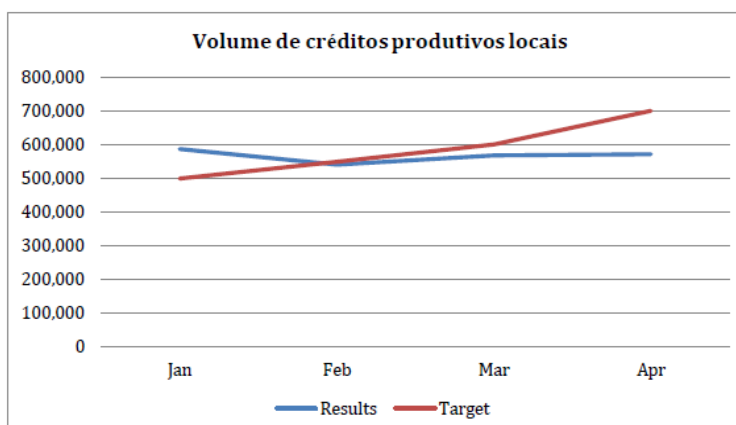
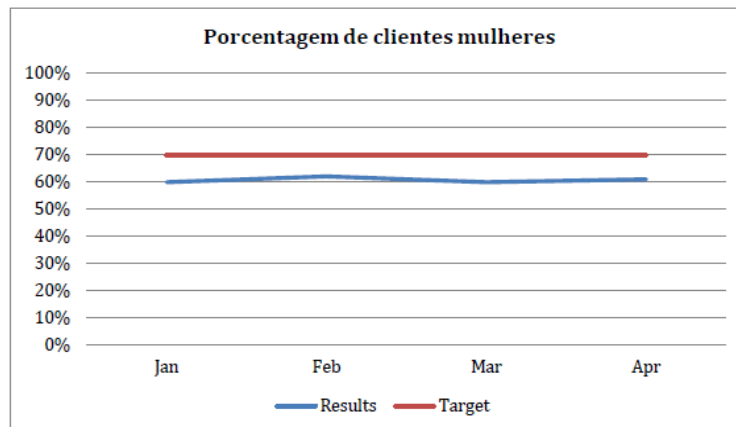
Carteira em risco - MIX



"DESENVOLVIMENTO DAS CAPACIDADES
5. Promover o desenvolvimento das habilidades de indivíduos e empreendimentos/ negócios fortalecendo o desenvolvimento comunitário e o desempenho institucional"



INCLUSAO SOCIOECONOMICA
 2. Promover a inclusão e educação financeira dos indivíduos e empreendimentos/
 negócios da comunidade



CONTROLE SOCIAL

4. Fortalecer a atuação da comunidade na condução de seu processo de desenvolvimento territorial

