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### Letter from the Editor

Dear Partner MFIs and ILO colleagues

It was great to see so many of you at the MF4DW closing workshop in Jordan last month. It was fascinating to hear about your innovations, to better understand what you hoped to achieve, and for some innovations, to even see if we had achieved the intended results! For me it was particularly interesting to have participated in the bookends of the project—the **opening workshop in February 2009** when our MFI partners proposed their initial ideas and received input from ILO experts, and then again at the **closing workshop in June 2012** to see how each innovation had evolved. We have all come a long way in a short time.

The sequencing of the closing workshop, on the back of the [Social Performance Task Force \(SPTF\) annual meeting](#), was opportunistic and fortuitous. We took advantage of the fact that many people were already attending the SPTF to help keep the budget low, while enabling us to share the MF4DW [findings and experiences](#) with a broader audience. It also helped to reinforce the message that the promotion of Decent Work to micro and small enterprises in the informal economy is a form of social performance.

Everyone should take great pride in their contributions to this action research project. It has been a valuable experience for the ILO to support rigorous research on the impact of innovations at an enterprise level, and to work with colleagues in different departments. For most of the MFIs that I met at the closing workshop in Jordan, there had been added benefits from the project—from significantly strengthening their research capabilities to developing and testing new approaches to increase impact. I think most, if not all of you are planning to roll out your innovations in the future—an exciting next step! Moreover, I believe that the industry at large will benefit from the MF4DW action research. The microfinance sector has endured a rough couple of years, so it will be a refreshing change to share the investigation’s positive findings, as well as to show that some MFIs are truly committed to achieving double bottom-line results.

Besides finalizing the individual impact evaluations and preparing the synthesis report, we are also getting on the agendas of various events to share the findings and lessons learned from the MF4DW action research project. We presented at the Microfinance Centre conference earlier in June and we organized a knowledge-sharing event at the ILO in July. We also hope that the MFIs will be organizing events in their own countries and regions—perhaps with national associations and networks—to promote the results. Based on your feedback in Jordan, we are also envisioning a possible second phase of the project, possibly with more action and less research. So stay tuned and we will keep you informed as that takes shape.

I hope that our paths will cross again soon. Thank you again for your contributions to an exciting and productive initiative that could have a powerful impact, not just on the clients that you serve, but on the broader microfinance industry. Congratulations on a job well done!

-Craig Churchill, Head of the Social Finance Programme

## The Social Performance Task Force (SPTF) and the International Labour Organization



The [Social Performance Task Force \(SPTF\)](#) is a working group composed of all major microfinance industry stakeholders—over 1000 individual members representing more than 600 different institutions—that encourages the development, implementation and evaluation of social performance. SPTF defines social performance as: *the effective translation of an institution's social goals into practice in line with accepted social values*. In short, the task force works to ensure that an organization's social bottom line is as encouraged, measured, and accountable as its financial bottom-line; this thinking is then aligned and directed through the management of the organization. In order to implement social performance management, the growing task force has worked since 2010 to develop and test its [Universal Standards for Social Performance Management \(USSPM\)](#).

As a member of the task force, the ILO has followed closely the development of the USSPM since the 2010 SPTF annual meeting, wherein members gave the SPTF secretariat the mandate to begin drafting the universal standards. After the first draft of the USSPM was presented at the 2011 annual meeting, working groups were formed to elaborate standards and indicators; the ILO participated in many working group discussions and advised on topics related to employment in MFIs and responsible treatment of employees. In June 2012, at the SPTF annual meeting on the Dead Sea in Jordan, the USSPM were officially launched; three members from the ILO's Social Finance Programme were in attendance and all 16 MF4DW MFIs that completed the whole research--plus 3 MFIs that had completed the MF4DW diagnostic stage.

### Microfinance for Decent Work (MF4DW) Closing Workshop, Jordan



As part of the last day of meetings at the SPTF, the ILO's Social Finance Programme hosted the closing workshop for the Microfinance for Decent Work (MF4DW) action research project. This workshop brought together all microfinance partner representatives after three years of innovation implementation and research with ILO technical experts, researchers, and microfinance industry stakeholders—roughly 75 participants in all.

The closing workshop had two objectives: 1) To disseminate the MF4DW concept, methodology and key results to MF4DW partners and a wider audience; and 2) elaborate recommendations on how best to address Decent Work challenges of microfinance clients and plan for dissemination and replication of the MF4DW methodology.

Along the same lines, the workshop was divided into two parts: the morning session (open attendance and public participation) reviewed the MF4DW methodology, recounted the econometric analysis and key results, and presented [posters by each MFI](#) on each innovation; while the afternoon session (closed to the public) used break-out sessions by Decent Work topic area and then by region to capture lessons learned and ways forward from MFI partner representatives.

All messages, suggestions, and future plans for the MF4DW action research project have been captured in the [MF4DW Closing Workshop Report](#), available soon on the [MF4DW homepage](#).

*'When ILO invited us for this workshop, I was both excited and scared about our innovation and how it would compare to the rest of the innovations from other MFIs. But the beauty about this workshop was that participants were given the opportunity to showcase their innovations and share experiences on a one on one basis which was a spectacular thing to do because it brought the realization that there is no one single solution to microfinance challenges. Instead, we can borrow from each other's experiences and lessons and customize them to address our customers' needs. Personally the idea of providing financial literacy training to reduce customers' risk and over-indebtedness was one such big lesson from the workshop that we hope to explore at Pride Microfinance'*

Sharon Nassali, PRIDE Microfinance Ltd., Uganda

## Client Stories: Innovations in Action from BASIX

### Insight from the Field

In March of 2012, Ingrid Christensen, an Occupational Safety and Health (OSH) specialist for the ILO Regional Office for Asia and the Pacific, and SFP technical officer Yousra Hamed undertook the last monitoring mission to BASIX, an MFI in Andhra Pradesh, India in order to: 1) visit clients who have participated in the MF4DW action research programme, and 2) to discuss with BASIX the overall experience, preliminary results in the data (trends), dissemination of the findings to stakeholders and the public in general, and to investigate the prospects for scaling-up the innovation. During the visits to the treatment branches (Nanded and Banswada) and the control branch (Ramayampet), ILO staff visited 15-20 farming families, conducted individual interviews and focus group discussions with clients and LSPs (the non-financial service staff who conducted the OSH training), and exchanged with BASIX staff and managers who had been involved in the actual implementation of the programme. This interaction contributed qualitative feedback on the process and achievements of the innovation.

From the visit, ILO staff saw that all visited farmers had made improvements that benefited either the working conditions (OSH), and/or living conditions, and/or productivity of the farmers; improvements that ranged from a few minor changes to more substantive improvements (seen in the pictures on the right). While final results of the impact evaluation were not yet available, the preliminary trends suggested an increase in income and a decrease in the number of accidents for the participating farmers in the treatment groups. If this is later confirmed in the econometric analysis of the data, then this will indeed be a very positive outcome.

Perhaps more impressive still is the fact that BASIX was able to reach these research achievements despite the fact that a severe microfinance crisis occurred in India, and in particular, in Andhra Pradesh, which led to an almost complete halt of lending and serious repayment difficulties among clients. As a result of the crisis, BASIX had to cut a significant number of staff (some of whom were trained on OSH and the research), thus severely limiting the predicted possibilities for BASIX staff to interact with farmers. However, in many cases BASIX and staff were able to continue with the project and regular visits—enough to result in the visible trends mentioned above. It is clear from BASIX's success that their staff has played a major role in the innovation's positive outcomes.



*Transformed bicycle for weeding plots of farm land*



*Clean water for farmers working in the field*



*Shed for covering animals*



*Cart for transporting animal feed more efficiently*

### MF4DW at MFC Conference, Georgia

The 15th Annual Microfinance Center Conference for Central Europe and Asia, entitled “Business or development? Time to choose” took place this year in Tbilisi, Georgia, on May 29th & 30th.

Preliminary results of the MF4DW action research were presented during the session on “Microfinance Plus vs. the Minimalist Approach: Which is better for clients?” This session focused on four main questions:

- What role do non-financial services play in the lives of clients?
- What is the influence of a “credit plus” approach on clients?
- What is the cost and benefit for MFIs?
- What different strategies can MFIs adopt to meet the development needs of clients?

Occurring only a few days before the MF4DW closing workshop in Jordan, the MFC provided a first opportunity to present the overall preliminary results of the action research. As well, Mrs Gulbakhor Makhkamova, Executive Director of IMON (Tajikistan), presented the results of the innovation implemented by IMON International, together with other social performance initiatives of the MFI.

### Reports and MF4DW Project Outputs

As they are completed, all closing workshop materials, impact evaluations, case studies, synthesis report, and innovation posters will become available via the [MF4DW action research homepage](#). Please check the page regularly for updates, as well as communications and announcements on the future plans for the MF4DW action research.

### New Readership and Delivery Methodology for the MF4DW NewsFlash

Dear Newsflash readers,

You may have noticed that this month’s edition of the MF4DW Newsflash has been delivered differently. Indeed, the Social Finance Programme along with the Microinsurance Innovation Facility (a project of SFP analyzing innovations in the field of microinsurance) moved to a new mailing system in order to send more targeted, engaging and interactive content, as well as better manage our mailing list.

We hope that you will take advantage of this new system and update your contact information [here](#). Please share with us the themes and the type of information you would like to receive--either in broader access to finance issues or specifically in microinsurance.

### Group Photo: MF4DW Closing Workshop Participants, Dead Sea, Jordan

