

OPPORTUNITY INTERNATIONAL

SOCIAL PERFORMANCE REPORT

2013



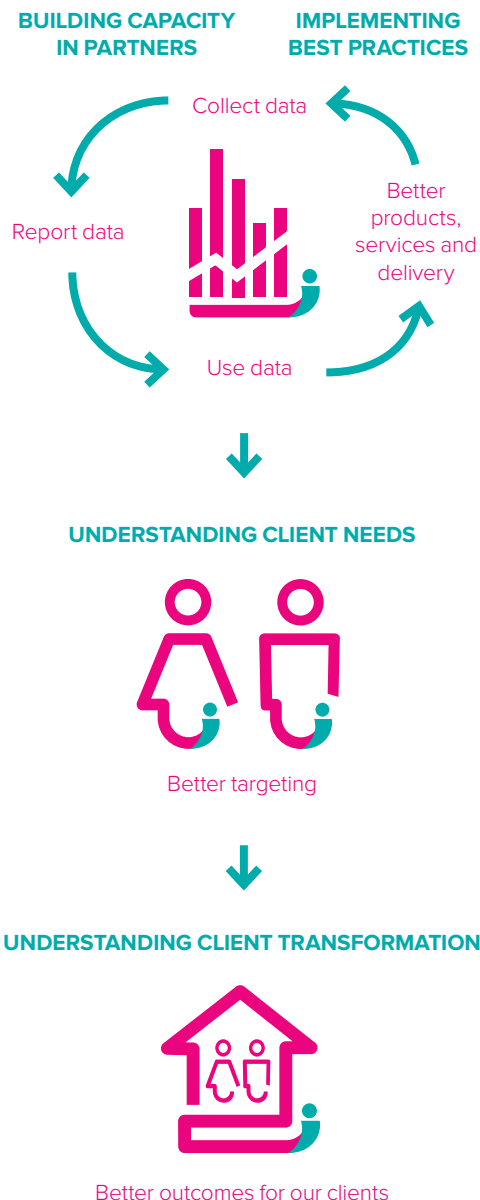
SOCIAL PERFORMANCE MANAGEMENT (SPM)

A FOCUS ON CLIENTS

Opportunity International believes that by understanding the needs of clients, we can help empower people living in poverty to transform their lives.

Our vision is to continually see improving outcomes for clients, made possible through the use of consistent and comprehensive social data. This information will allow Opportunity International and our local partners to better understand, improve and reflect on our social performance. We can ensure we are reaching those in need and delivering the products and services they require to transform their lives.

SPM helps us translate our social mission into practice. This report provides insight into this journey across our global network of partners.



Microfinance was founded in response to the needs of people living in poverty – to start small businesses and build better lives for themselves and their families. However, in recent decades, the voices of clients have at times become lost in the pressure for microfinance providers to reduce costs and expand into new communities.

Social Performance Management (SPM) puts clients back at the centre of microfinance. SPM facilitates the collection, use and reporting of social data in order to inform all aspects of microfinance, from strategic decision making to product design and delivery. SPM also encompasses best practice standards to ensure that every client is treated with dignity and respect.

This first Social Performance Report aims to share our vision with you: our supporters, our partners and the microfinance sector as a whole. We have learned that implementing SPM is a challenging journey. We would like to share with you where we are in that journey and some initial results.

David Simms

Head of Global Strategy and Network Relations

“The most valuable result of Social Performance Management is a satisfied client.”

Sandra Pribic
Opportunity Bank Serbia

OPPORTUNITY INTERNATIONAL NETWORK

Opportunity International empowers people living in poverty to transform their lives, their children's futures and their communities. We respond to Jesus Christ's call to love and serve the poor, and we serve all people regardless of race, religion, ethnicity or gender.

We work in 22 countries and through more than 40 local partners, we provide financial and non-financial services to our clients.

2.9

MILLION

Total number of loan clients
(with a loan portfolio of US\$617 million;
93% of our loans are made to women)

1.3

MILLION

Total number of voluntary savers
(with US\$164 million on deposit)

3

MILLION

Total number of lives insured

1.5

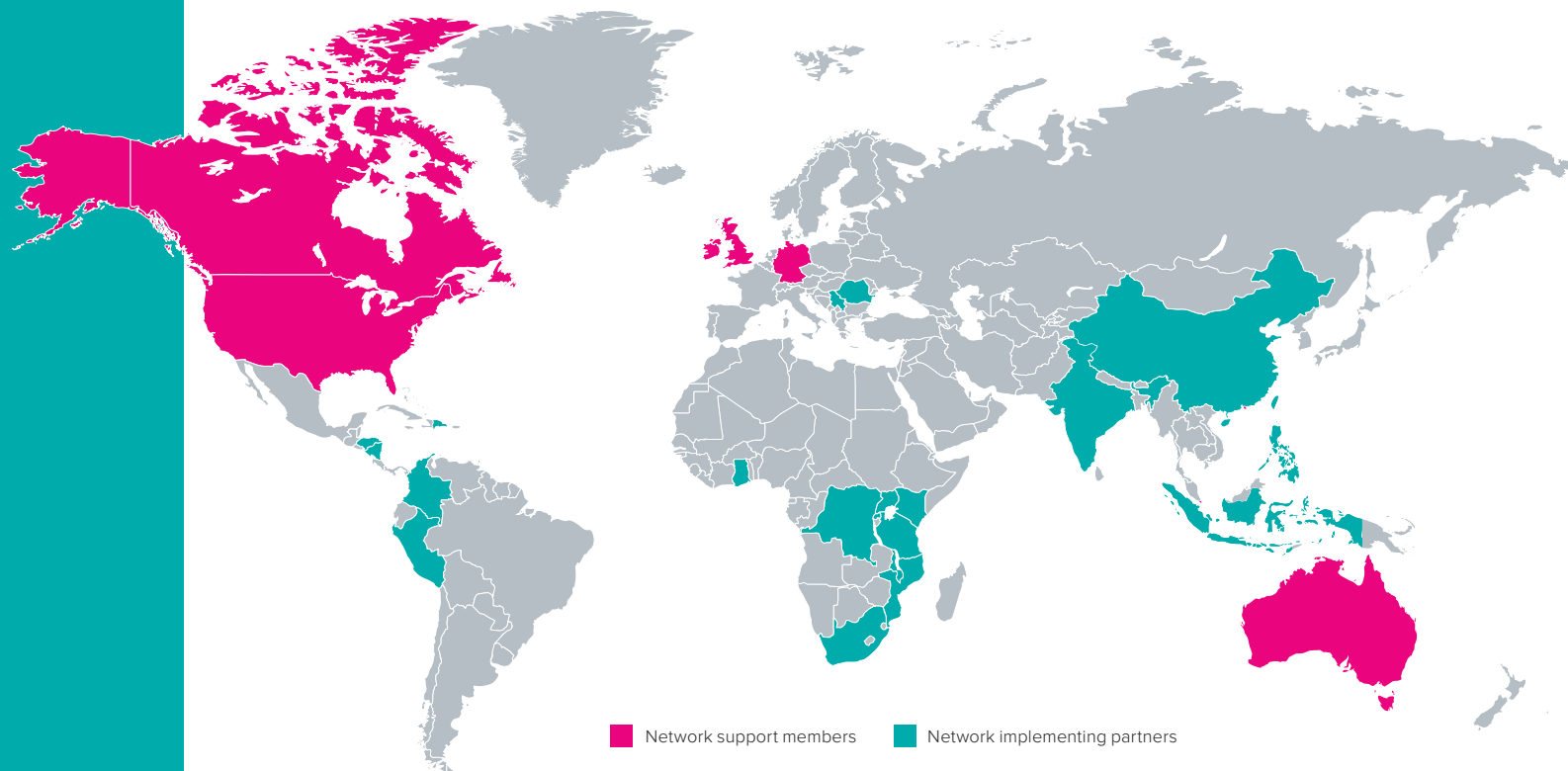
MILLION

Total number of insurance policyholders

All data as at September 2013

CONTENTS

Opportunity's Social Performance Management Strategy	4	Africa	20
India	8	Capacity Building and Best Practices	21
Understanding Client needs	9	Sinapi Aba Trust Case Study	23
Understanding Client transformation	11	Eastern Europe	24
Capacity Building and Best Practices	12	Opportunity Bank Serbia Case Study	25
Cashpor Case Study	13	Latin America	26
Rest of Asia	14	Opportunity International Colombia Case study	27
Understanding Client needs	15	ASKI – an SPM Journey	28
Understanding Client transformation	16	Project Sponsors and Delivery Partners	30
Capacity Building and Best Practices	18	Concluding Comments	31
Remy's story	19		



OPPORTUNITY'S SOCIAL PERFORMANCE MANAGEMENT STRATEGY

HIGHLIGHTS

- Opportunity International's partners welcome Social Performance Management (SPM) as a practical way to monitor and achieve social goals and improve services for clients.
- The foundation of Opportunity International's SPM strategy is the collection and reporting of data against a core set of measures to improve accountability and transparency across our global network.
- Our SPM strategy is being rolled out gradually across regions and partners, allowing for cross-partner collaboration and shared learning.



WHY SOCIAL PERFORMANCE MANAGEMENT?

Whether in the US or Malawi, Australia or India, when a person accesses the services of a financial institution, he or she has the right to expect that they will be treated with dignity and respect, and that the available products will meet their needs.

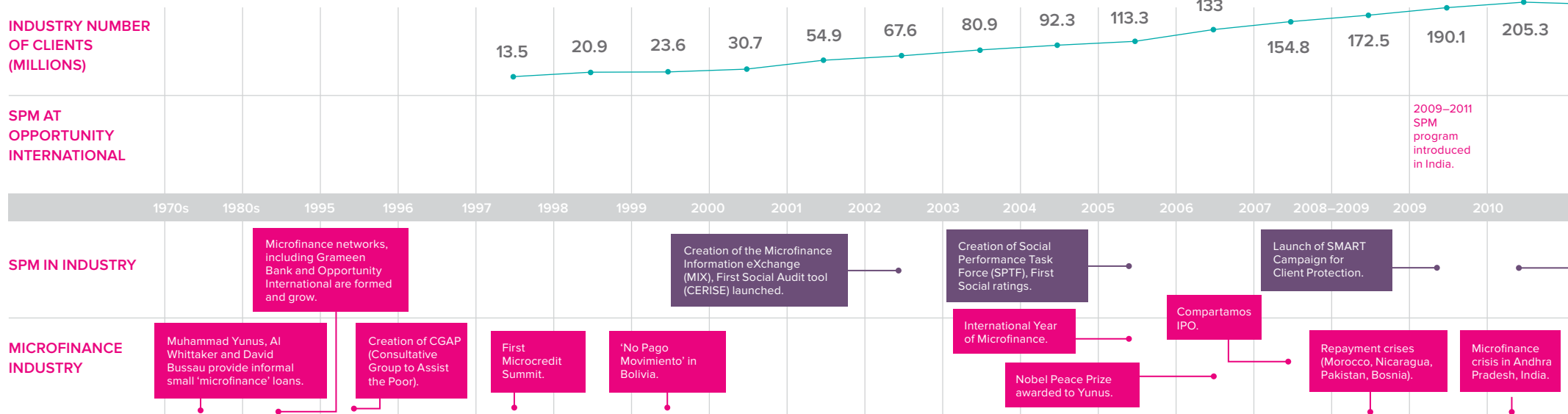
Where they have the power to choose, clients will choose an organisation that listens to their needs and preferences and strives to provide appropriate and affordable products and services.

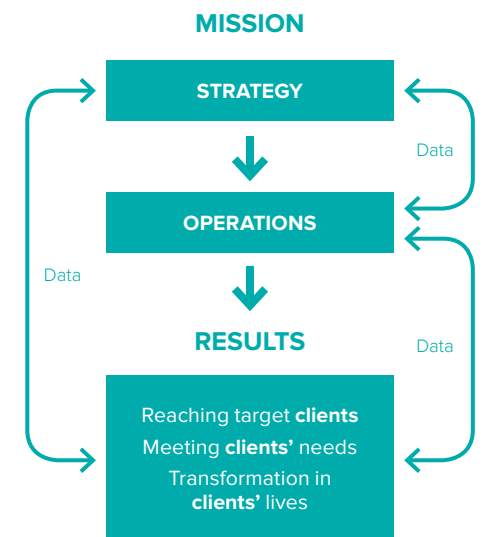
However, a range of factors, including lack of mobility and limited access to information, means that people living in poverty have not enjoyed the same power of choice. As microfinance expanded rapidly in the 1990s and 2000s – reaching many communities for the first time – providers focused on financial efficiencies and the growth potential of the microfinance model. As a result, products and services were often not well-suited to the needs of people living in poverty.

SPM is a practical framework encompassing principles, guidelines and best practices designed to refocus microfinance on those it exists to serve – families living in poverty.

"All the best organisations are driven by data, which informs and guides decision making. Microfinance institutions are no exception to this rule... But the industry has struggled to collect, analyse and use data to assess the all-important second bottom-line – to assess its social performance... It is therefore tremendously exciting, and indeed important, that Opportunity International is implementing its Social Performance Dashboard."

Graham Wright
Group Managing Director, MicroSave





Strategy = growth strategy, design of products and services
Operations = delivery of products and services

CLIENTS AT THE CENTRE

To achieve social outcomes, microfinance must be client-focused: starting with the ongoing collection and analysis of client information that leads to improved products and services. Putting clients at the centre of microfinance requires systems, processes and an operating culture that prioritises reaching those most in need, meeting clients' needs and ultimately, facilitating transformation in clients' lives.

CAPACITY BUILDING AND BEST PRACTICES

The microfinance sector exists to provide financial services to families living in poverty and the quality of those services should match the complexity of challenges facing microfinance clients.

Best practice standards can mean the difference between clients transforming their lives or continuing in the cycle of poverty. For this reason, collaboration between microfinance institutions and networks, including Opportunity International, has led to the creation of the Client Protection Principles (SMART Campaign, 2009) and the Universal Standards for Social Performance Management (USSPM, 2012).

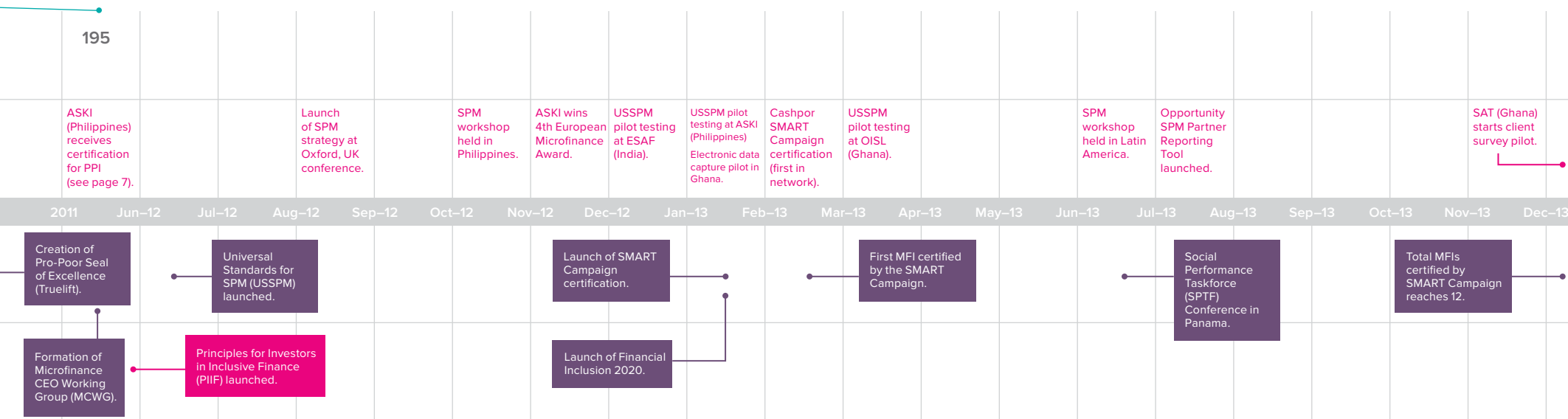
The USSPM build on the Client Protection Principles with additional standards of defining and monitoring social goals, ensuring Board, management and employee commitment to social goals; responsible treatment of employees; and balancing financial and social performance.

The timeline below shows how these and other best practice initiatives have developed.

The seven Client Protection Principles are:

- Appropriate product design and delivery
- Prevention of over-indebtedness
- Transparency
- Responsible pricing
- Fair and respectful treatment of clients
- Privacy of client data
- Mechanisms for resolution of client complaints

Timeline of the microfinance industry and SPM initiatives



OPPORTUNITY'S SOCIAL PERFORMANCE MANAGEMENT STRATEGY (CONTINUED)

Adopting best practices encompasses more than developing new rules and procedures. Best practices affect all aspects of a microfinance provider's operations and thus can require significant changes.

Opportunity International recognises that adoption of best practices is a journey. We provide ongoing expertise to our partners as they work to embed best practices in day-to-day operations. As a network, we will regularly report on progress towards achieving best practice standards and will seek to demonstrate the resulting impact in clients' lives.

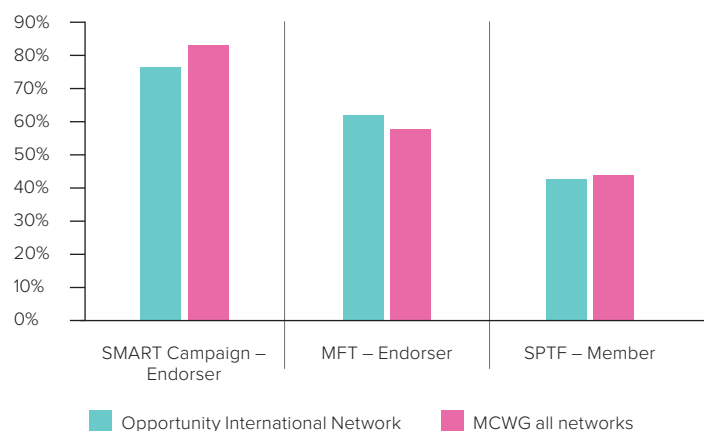


A key priority of our SPM strategy is to build capacity within our partners to collect, manage and report data, as well as analyse results to inform key management decisions. To achieve this, our strategy is to focus on a small set of social indicators. (See page opposite for detail on the Social Performance Dashboard).

Endorsing the 'Triple Crown' of best practice initiatives is a first step on the journey towards full implementation of best practices. The Triple Crown consists of endorsement of the SMART Campaign (Client Protection Principles) and the Microfinance Transparency (MFT) initiative, a forum that promotes disclosure of interest rates, fees and other terms and conditions), as well as becoming a member of the Social Performance Taskforce, which entails a commitment to implement the USSPM over time.

Opportunity International is a member of the Microfinance CEO Working Group (MCWG), comprising eight networks – ACCION, Foundation for International Community Assistance (FINCA International), Freedom from Hunger, Grameen Foundation USA, Opportunity International, Pro Mujer, VisionFund International and Women's World Banking. The MCWG encourages endorsement of the Triple Crown among their microfinance partners.

Opportunity International's progress on Triple Crown initiatives vs. other networks (as of August 2013)



"Opportunity International's strategy for Social Performance Management is one of the best I've seen... Opportunity International's dashboard allows partners to track progress over time and make changes in their programming when necessary. This is the essence of best practice in Social Performance Management."

Anne H. Hastings
Manager, Microfinance CEO Working Group

OUR SOCIAL PERFORMANCE DASHBOARD

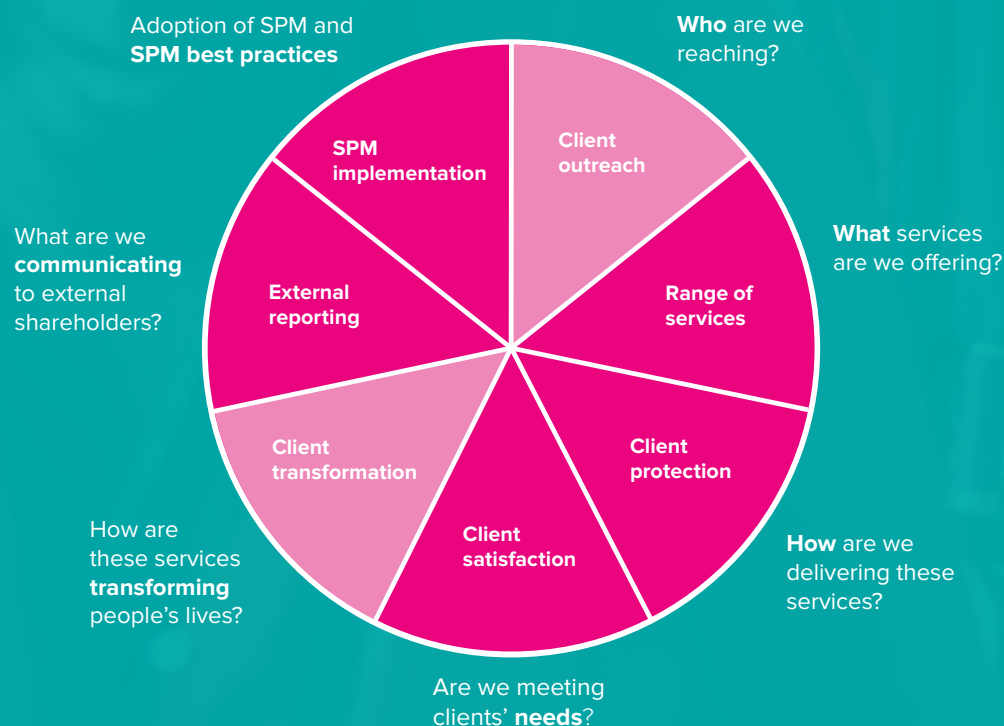
To ensure microfinance providers are meeting the various needs of clients, a multi-faceted approach is required. In collaboration with our partners, Opportunity International has developed a Social Performance Dashboard that reflects our mission. Through a set of social indicators, the dashboard will allow Opportunity International to promote best practice, improve our understanding of how well we are reaching the right people and better understand how their lives are being transformed.

Our target clients are those living on a low income and those excluded from essential services by their gender, status and circumstances. Our mission is to enable transformation of clients' economic, personal, social and spiritual lives. Client survey questions reflect our definitions of target clients and transformation, which will allow us to measure the status of new clients and track client progress out of poverty over time.

The dashboard was developed in consultation with partners and therefore balances the need for robust and meaningful data with a pragmatic and cost-effective approach.

Common measures will enable Opportunity International to consistently report on performance with regards to our social mission across our network and will allow our partners to compare their performance and practices with peers.

OPPORTUNITY INTERNATIONAL SOCIAL PERFORMANCE DASHBOARD



Income level is a key indicator of client status, but measuring income through client surveys is challenging. Opportunity International uses the Progress out of Poverty Index (PPI), developed by Grameen Foundation, as a statistically sound estimate of household income. The PPI consists of 10 country-specific survey questions about the characteristics of a household, providing a robust

estimate of the likelihood that a household is living below the poverty line. The benefit of the PPI is that data can be collected quickly and inexpensively, as survey questions can be incorporated into standard practices and data collected across many branches. Operational and strategic decisions can then be informed by extensive data on the status of clients.

CLIENT LEVEL INDICATORS

Client outreach

Income levels – % of new clients who are:

- Moderately poor < US\$5 per day
- Poor < US\$2 per day
- Extremely poor < US\$1.25 per day

Gender – % of female clients.

Targeted minority – % of clients from excluded groups (defined by partner).

Rural/urban – % of rural clients.

Unserviced clients – % of clients who had never had access to formal financial services.

Client transformation

Economic

- Change in income level
- Number of jobs created

Personal

- Access to appropriate health services
- Access to sanitation facilities
- Decreased vulnerability

Social

- Access to education for their children
- Participation in key household and community decisions

Spiritual

- Increased love for God and neighbour (client reported)

INSTITUTIONAL LEVEL INDICATORS

Range of services

- Number of financial services offered
- Number of non-financial services offered
- % of clients receiving financial education

Client protection

- Responsible pricing of products (more/less than average interest rate in the country)
- Client retention (%)
- Staff retention (%)

Client satisfaction

- Client satisfaction mechanisms (complaint process, exit interviews, product/service changes driven by client surveys)
- Client satisfaction measure

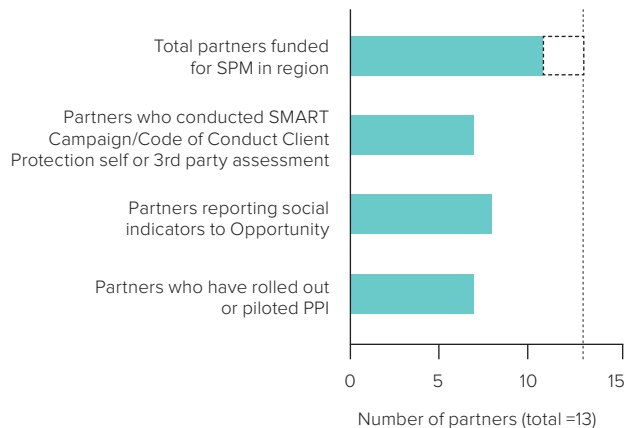
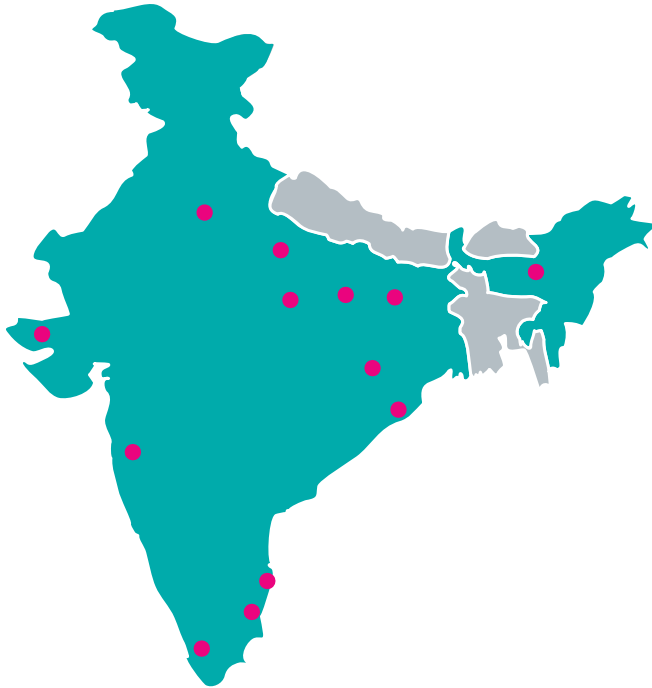
External reporting

- Reports or social data submitted to key external stakeholders including Mix Market, MicroFinance Transparency and Social Ratings.

SPM implementation

- Self-assessment rating on Universal Standards for SPM

INDIA



HIGHLIGHTS

- India was the site of Opportunity International's initial SPM pilot in 2009. Lessons learned from this pilot have since informed our global SPM strategy.
- Survey work in 2013 has covered a significant sample of more than 30,000 clients, enabling partners to improve services while providing a baseline for future reporting.
- We continue to work closely with our partners to ensure they gather complete and robust data while effectively managing social performance.



Reflecting the diversity of our portfolio in India, our partners are at various stages of SPM implementation. Several partners are implementing existing practices and improving compliance to the USSPM, while others are beginning their SPM journey.

Opportunity International works closely with EDA Rural Systems to provide technical assistance that is appropriate to the specific needs of each partner. This work also informs global efforts to help partners implement data management systems and best practices. Macquarie Group Foundation is a vital partner of the SPM program in India (see page 30 for more information).

"We are committed to the fundamental principles that determine Social Performance Management and believe that we cannot shy away from being responsive, transparent and client-centric to promote inclusive microfinance."

Paul Thomas
Chief Executive Officer, ESAF (Opportunity International partner, India)



UNDERSTANDING CLIENT NEEDS

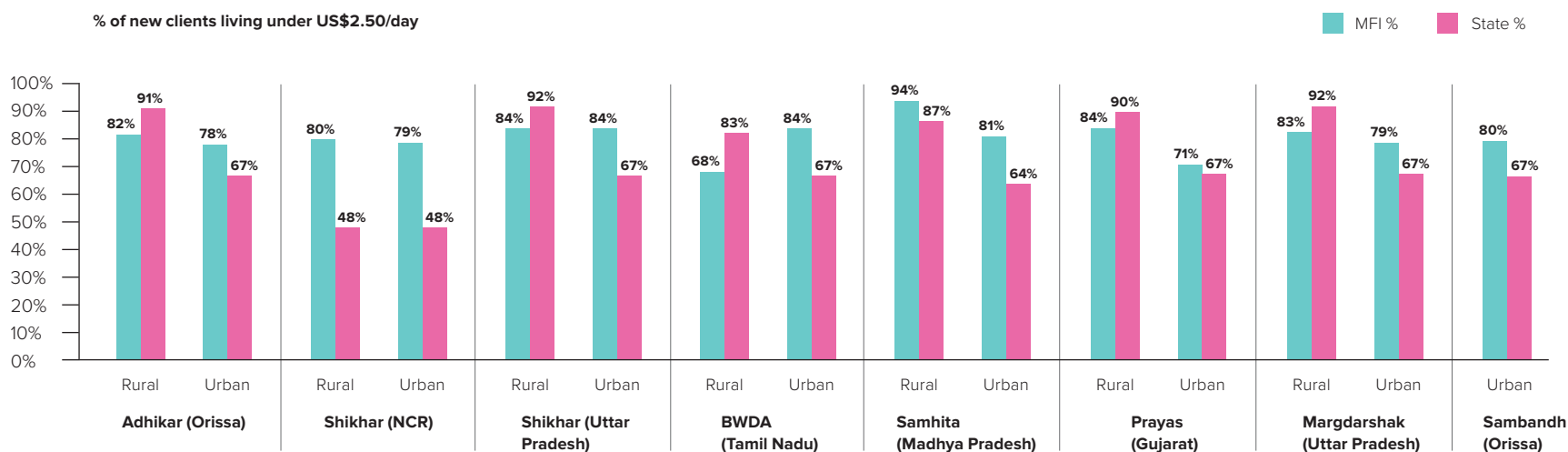
Opportunity International and our partners in India first collaborated on a series of SPM pilots in 2009. Since then, our partners have continued to refine and adapt their practices. This work has yielded data that provides insights into the depth and breadth of our program in India.

The chart below shows the percentage of new clients at eight partners – clients who, by Progress out of Poverty Index (PPI) estimates (see page 7 for more information), live below the US\$2.50 poverty line. For consistency, poverty rates among partners' clients are compared alongside average poverty rates for the population in those states. As these poverty rates vary between rural and urban areas, results for rural and urban clients are shown separately.

The results show how successful our partners have been in reaching out to people living in poverty. In urban areas, new clients' poverty rates are above the state poverty rate for all seven partners. In rural areas clients poverty rates are below the state average for five out of the eight partners. The three partners who are not outperforming the state poverty rate in rural areas are focused on urban outreach.

Since its establishment in 2009, Shikhar has worked with communities in Delhi and beyond who are typically ignored by microfinance providers seeking financial returns. However, proving to social investors that Shikhar successfully targets poor households is challenging without consistent data collection.

Shikhar's PPI rollout is demonstrating its success in reaching both urban and rural clients living in poverty, with 80% of clients living on less than US\$2.50 a day, compared to the state's poverty rate of 48% (for both rural and urban). Over time, this data will help Shikhar demonstrate its track record of reaching marginalised communities. Shikhar's management believe this data will help them build the organisation's reputation as an attractive opportunity for social investors wanting to see families' lives transformed.





UNDERSTANDING CLIENT NEEDS (CONTINUED)

Understanding relative poverty levels of clients across partners and branches can help spread best practice and improve outreach to those most in need.

Consistent data collection can also facilitate deeper analysis of outreach across branches and products. For example, Lucknow-based microfinance provider Margdarshak has surveyed almost 10,000 clients. This data is enabling Margdarshak to assess its outreach by area, branch and even by loan officer.

At a state level, Margdarshak's outreach in both urban and rural areas is below state averages. However, when the data is disaggregated to areas, there is significant variance in outreach. As the chart shows, Areas 3 and 5 are achieving significant outreach in poor communities. While only part of a complex picture, these results provide an opportunity for Margdarshak's management team to further examine branch outreach.

Poverty extends beyond the hardship of surviving on the equivalent of a few dollars a day – it encompasses illiteracy, lack of access to safe drinking water and much more. The multiple deprivations experienced by families living in poverty require a holistic approach to data collection.

While the Progress out of Poverty Index is a useful tool to estimate a client's poverty status, income estimates must be complemented with other data. Opportunity International's SPM program collects data on a range of additional poverty indicators, including empowerment, education and access to water and sanitation as illustrated by charts on page 10 and 11.

Focusing on individual indicators can help partners better understand the specific issues which clients face and design products and services to mitigate those challenges. Over time, partners can also track if their interventions have made a positive contribution.

For example, 60% of Prayas' rural clients do not have access to any form of transportation. This has real implications for the accessibility and convenience of microfinance services and may also be impacting clients' access to markets.

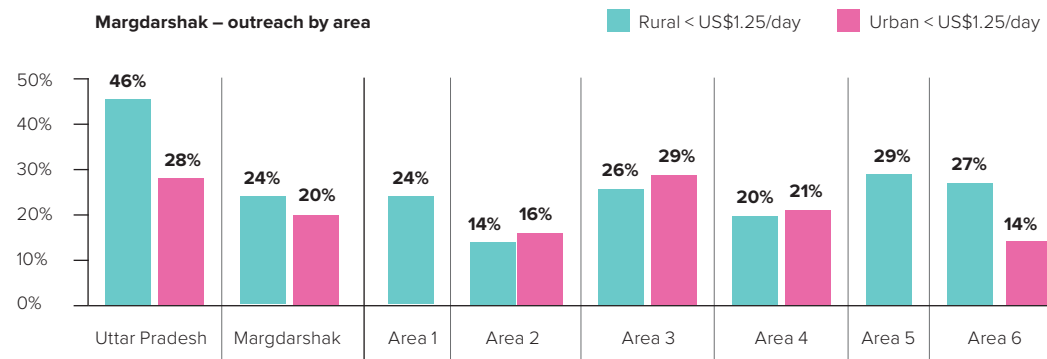
A significant minority (29%) of Samhita's microfinance rural clients do not have access to a mobile phone. This information may influence Samhita's delivery strategy, especially in light of current trends towards mobile phone banking.

At a country level, issues highlighted through social indicators can also shape broader program strategies. For example, results indicate that across the client base – particularly in rural areas – access to sanitation is a significant issue. This is also an issue that disproportionately affects women. As women form the majority of our partners' clients, this is an issue of concern.

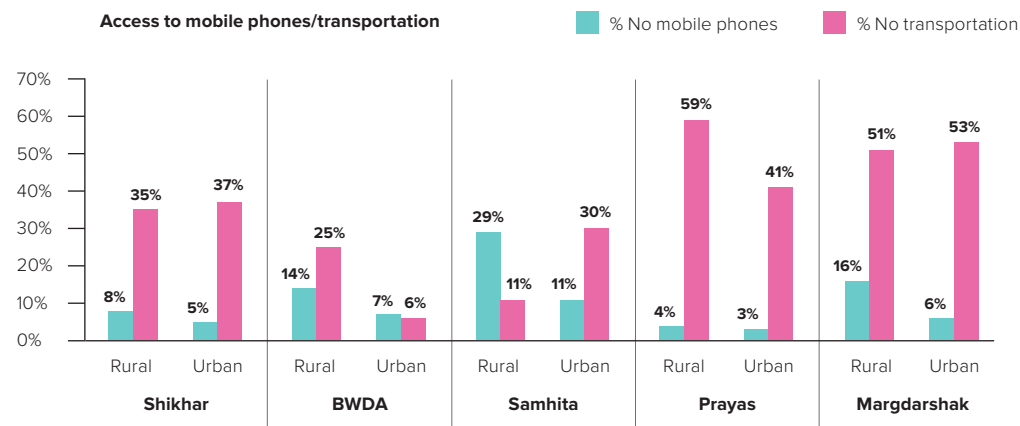
In rural areas served by Adhikar and Samhita, 75% and 85% of clients respectively do not own or have access to a toilet facility. This data, especially when disaggregated by branch, allows microfinance providers to prioritise specific products, such as sanitation loans, where families most need them.

Poverty is complex – better understanding of need leads to more impactful products and services.

Margdarshak – outreach by area

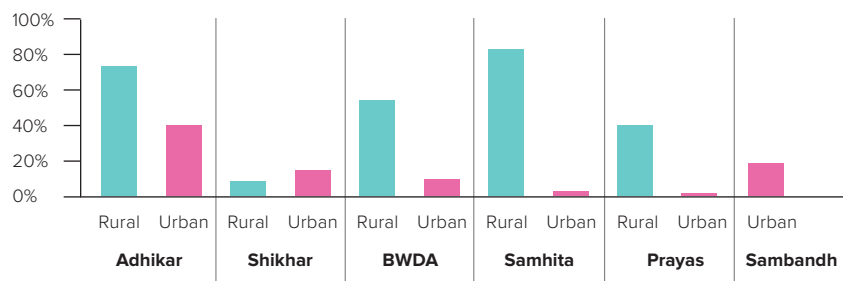


Access to mobile phones/transportation

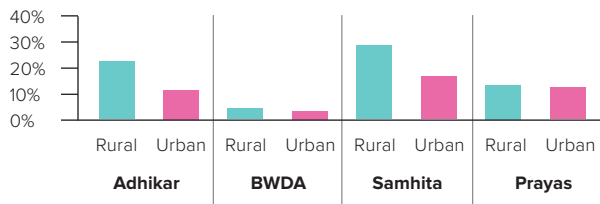




Access to sanitation – does not own or share access to toilet facility



Access to education – Households with female child not attending school



UNDERSTANDING CLIENT TRANSFORMATION

In 2014, the SPM program will look to track change in client status over time. In the meantime, research at Opportunity International partner ESAF has provided an insight into the impact of their services on clients' lives.

Microfinance is about more than financial services. Transformation of clients begins with access to credit but typically encompasses a range of social and personal outcomes over several years. The best way to gain insight into this journey is to ask the clients themselves. This is what Opportunity International did at ESAF, our Kerala-based partner, as part of a collaborative exercise, using the Social Return on Investment (SROI) methodology (see page 16 for more information).

According to ESAF clients, while access to loans reduces immediate financial stress, ongoing membership with ESAF leads to increased independence and involvement in the local community. In the words of one client, "We are now more happy, because we can buy, we can decide. This makes us confident."

As female clients take on greater roles in generating income and managing the family assets, many also report that their relationship with their husbands has improved. "Before, we would need to ask our husbands for money, but they would not have it or not want to give it to us," said one group leader. "So there was always disappointment, frustration and fights. Now we can help them... reducing the tension and their burden."

This research study showed that, for some clients, increased independence means they can visit friends or family more regularly. Others have progressed from leaders of their client groups to contesting local elections and becoming agents of change within their communities. In 2011/12, 200 ESAF clients were successfully elected to local council positions by their local communities.

As a leader of a microfinance provider that has been on the SPM journey for many years, CEO Paul Thomas regards SPM as integral to ESAF's current operations and future plans. "We are conscious of the fact that the poor of our country can be trusted and we need to keep our promise to transform their lives for good. Good SPM can only lead us closer to our vision and mission," he says.

This collaborative exercise enabled ESAF and Opportunity International to develop a theory of change and define outcomes that should be measured for all clients.

In 2014, ESAF will be one of a number of Opportunity partners in India to build their capacity to measure and report on client transformation over time.



"(Without ESAF), I would just be a housewife. Now I have my own business. I go out and attend ESAF's events representing the women from my group. People look to me, just as I look up to the leaders (in my community)."

ESAF client



CAPACITY BUILDING AND BEST PRACTICES

The first step in tracking the progress of clients out of poverty is to establish a baseline of social data – a starting point for future comparison. Depending on the partner's existing capacity, establishing a baseline can involve a range of activities, such as staff training, redesigning loan application forms to include new survey questions, establishing quality control mechanisms and upgrading IT systems to manage data capture and analysis.

In 2013, several partners in India piloted and rolled out the Progress out of Poverty Index (PPI) scorecard and other outcome indicators across a significant proportion of their client base (see table at bottom). This provided an opportunity to build the internal capacity of each partner to collect, report and analyse SPM data on an ongoing basis.

Opportunity International has also been working closely with our partners in India to assess progress with the implementation of the Client Protection Principles. Comprehensive assessments have helped partners improve understanding and awareness of the principles, an area of crucial importance as Reserve Bank of India guidelines and Code of Conduct are increasing these requirements for microfinance providers across India. As a result, partners now have a clearer understanding of their strengths and weaknesses in regards to client protection, and each has a detailed plan for implementation of further improvements.

The recent work builds on the piloting of USSPM in early 2013 with ESAF and two other partners in different regions. The pilots represented a vital stage in verifying the relevance of the best practices, their implications in practice and current levels of compliance. While this exercise contributed to the industry's global efforts to refine the USSPM, it also provided ESAF with an action plan to improve its compliance.

Opportunity International has since adopted the USSPM as the best practice framework for our global implementation, guiding our partners and technical assistance providers.



Partner progress in surveying clients

Partner	State	Total clients	Sample size	% of clients
Adhikar	Orissa	38,355	18,013	47%
Shikhar	NCT	20,414	624	3%
Shikhar	Uttar Pradesh	20,414	238	*
BWDA	Tamil Nadu	59,807	257	*
Samhita	Madhya Pradesh	48,642	297	*
Prayas	Gujarat	15,687	1,200	7%
Margdarshak	Uttar Pradesh	36,014	9,751	27%
Sambandh	Orissa	13,386	627	5%

* = pilot stage

SPM CASE STUDY



CASHPOR

Cashpor's focus on client needs protects clients and provides them with a wide range of quality services.

Cashpor is Opportunity International's largest partner and one of the largest microfinance organisations globally. Its 600,000 active loan clients are focused in the rural areas of two of the least developed states in India – Uttar Pradesh and Bihar. 94% of Cashpor's clients live on less than US\$1.50/day, substantially higher than the regional average rate of 54%.

Cashpor has a history of being extremely focused on the poor, regularly modifying and expanding services to meet clients' needs. Recent innovations have included: offering voluntary savings and pension services, linking clients with local and national banks, and providing basic health services to clients in collaboration with a health-related NGO, Healing Fields Foundation.

Cashpor was one of the first six microfinance organisations globally to receive SMART Campaign client protection certification in February 2013. The process of certification involved evaluating Cashpor's efforts in prevention of over-indebtedness among clients; transparency; responsible pricing; appropriate collections; ethical staff behaviour; mechanism for complaint resolution and privacy of client data.

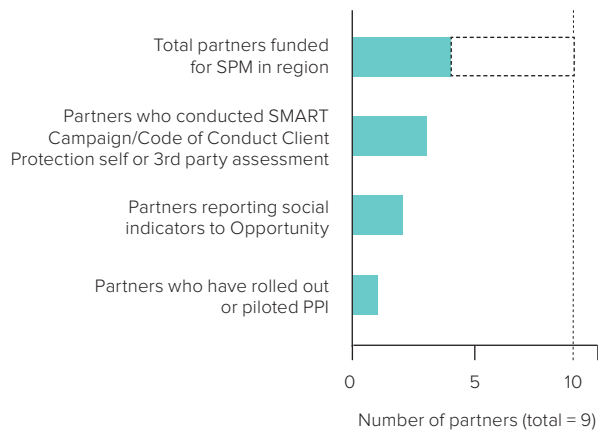
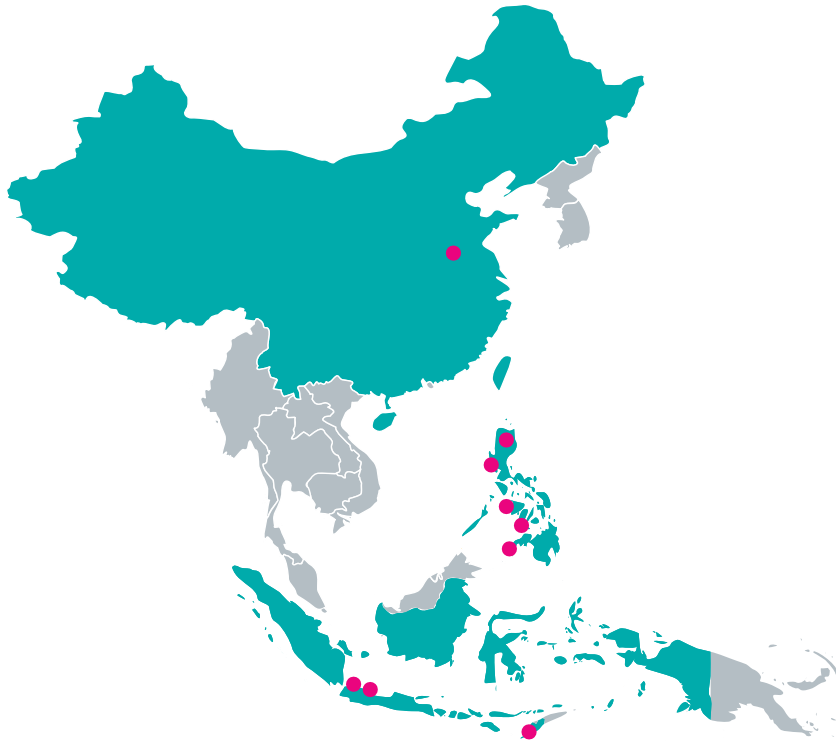
The achievement of certification was the culmination of a great deal of hard work by Cashpor over 12 months. According to Mr Mukul Jaiswal, Managing Director of Cashpor Micro Credit, the benefits of adopting best practice in SPM have been a "streamlining of processes and systems" and a **"raised level of staff awareness of its responsibility to provide protection to its clients and the need to work towards enhanced client satisfaction"**. Achieving certification provided additional reassurance to several of Cashpor's funders and will potentially improve its funding potential, contributing to growth in loan portfolio and client numbers.



"... raised level of staff awareness of its responsibility to provide protection to its clients and the need to work towards enhanced client satisfaction."

Mukul Jaiswal, Managing Director, Cashpor

REST OF ASIA



HIGHLIGHTS

- ASKI, a partner in the Philippines, has a long track record of achievements in SPM. In 2013, Opportunity International worked with ASKI to pilot test the USSPM and conduct a comprehensive impact analysis on a key agricultural loan program.
- Across the Philippines, Opportunity International commenced SPM work in 2012 with microfinance partners TSKI, TSPI and OK Bank. An assessment of current practices led to the creation of SPM action plans for each partner.
- We will work closely with our partners across Asia to continue supporting and strengthening their SPM implementation.





UNDERSTANDING CLIENT NEEDS

As partners are beginning to report on Opportunity International's Social Performance Dashboard, a picture of outreach to people living in poverty is emerging. ASKI and TSKI, our Philippines-based partners, were the first to report on the dashboard.

TSKI's report, based on survey results from approximately 1,000 new clients, illustrates that the organisation is successful in targeting female clients (98%) and people living on less than US\$5 a day (81%). TSKI is in the process of expanding its data collection.

ASKI's report was based on a considerably larger sample of over 40,000 new clients. The results highlight that ASKI is successfully targeting women and rural communities, with 73% and 86% respectively. However, given ASKI's mission to serve people living on less than US\$2.50 a day, outreach to this group could be improved. As per the last report, 31% of ASKI's clients fall under the US\$2.50 poverty line. Having access to such information is already enabling ASKI to better target poor clients by creating the right incentives for its staff to do so and setting the right metrics to monitor its performance on an ongoing basis.

The Social Performance Dashboard also allows partners to compare current outreach with the prevalence of poverty in their operating areas. From January to December 2012, ASKI's branches had variable success in reaching communities that are poor relative to poverty rates in their local area. This comparison provides an opportunity to examine, and learn from, the practices of those branches that are more successful in their outreach to poor communities.

For ASKI, outreach in rural areas is particularly challenging as the poorest communities are situated in very remote areas that are difficult for loan officers to access. To address this issue, ASKI has established collection and disbursement

points, which effectively extend the outreach of each branch. However, although these points are less sophisticated than a branch office, the cost of their maintenance still affects operational efficiency. Further, as many of the most remote and impoverished communities do not have access to markets, microfinance may not be suitable. In these cases, the ASKI Foundation implements community development projects to address the most pressing needs and develop livelihoods, stimulating local markets and allowing the community to take advantage of financial services in time.

As shown in the graph, ASKI can now compare its branch performance in reaching poor clients against the regional average poverty rates. This enables ASKI to set the right targets for each branch and better understand the needs and possibilities for expansion in each region.

% of clients living below US\$2.50/day by province – rural



TSKI		Proportion of active borrowers
Outreach indicators	Moderately poor (< US\$5/day)	81%
	Poor (< US\$2.50/day)	54%
	Extremely poor (< US\$1.25/day)	21%
	Female	98%

ASKI		Proportion of active borrowers
Outreach indicators	Moderately poor (< US\$5/day)	64%
	Poor (< US\$2.50/day)	31%
	Extremely poor (< US\$1.25/day)	8%
	Female	73%
	Rural	86%



UNDERSTANDING CLIENT TRANSFORMATION

In the long term, SPM will enable Opportunity International and our partners to track changes in clients' poverty levels over time. This not only improves responses to clients' needs, it can also provide a compelling case for increased investment in client-focused microfinance. Due to its early commitment and ongoing efforts in SPM, ASKI is the first partner in the Opportunity International Network able to report in this way.

In looking at all clients joining ASKI in 2010, and tracking a sample of 13,000 of those clients over the period through 2011 and 2012, ASKI reports a fall in poverty likelihood.

Based on repeated surveys with this sample of clients, and using PPI methodology, ASKI reports that just over 13%, or approximately 1800 clients, have progressed above the poverty line after two years of engagement with ASKI. While results will continue to draw a more detailed picture of transformation over time, the achievements of ASKI's clients appear significant.

While SPM is a comprehensive framework, strategic use of alternative impact measurement tools can enrich and inform SPM initiatives for microfinance providers and investors alike. Opportunity International has piloted the Social Return on Investment (SROI) methodology at ESAF (see page 11 for more information) and ASKI. As a counterpart to our SPM strategy, SROI provides an extremely valuable opportunity to gain insight into how clients' lives are transformed.

Opportunity International and ASKI collaborated to analyse the impact of the ASKI Agriloan, a product designed especially for subsistence farmers, including loans with repayment terms matched to farmers' seasonal income, crop and health insurance, savings facilities and training.

While the economic benefits of accessing capital, insurance and training were evident, the analysis found that outcomes experienced by clients extended to social, personal and spiritual change. As a client-focused organisation, it was evident that clients regard ASKI not just as a financial institution but also as an important partner in their

personal development. Shirly, an agriloan client, commented that ASKI "gave me the confidence to persist with my plans, take risks, and seize opportunities that came my way".

The analysis also found that for field staff, many of whom come from similarly impoverished backgrounds to the clients they serve, the outcomes are similarly wide-ranging. "I became more responsible when I joined ASKI. Devotions really helped me; I was not like this before... I became professional with ASKI," said a loan officer.

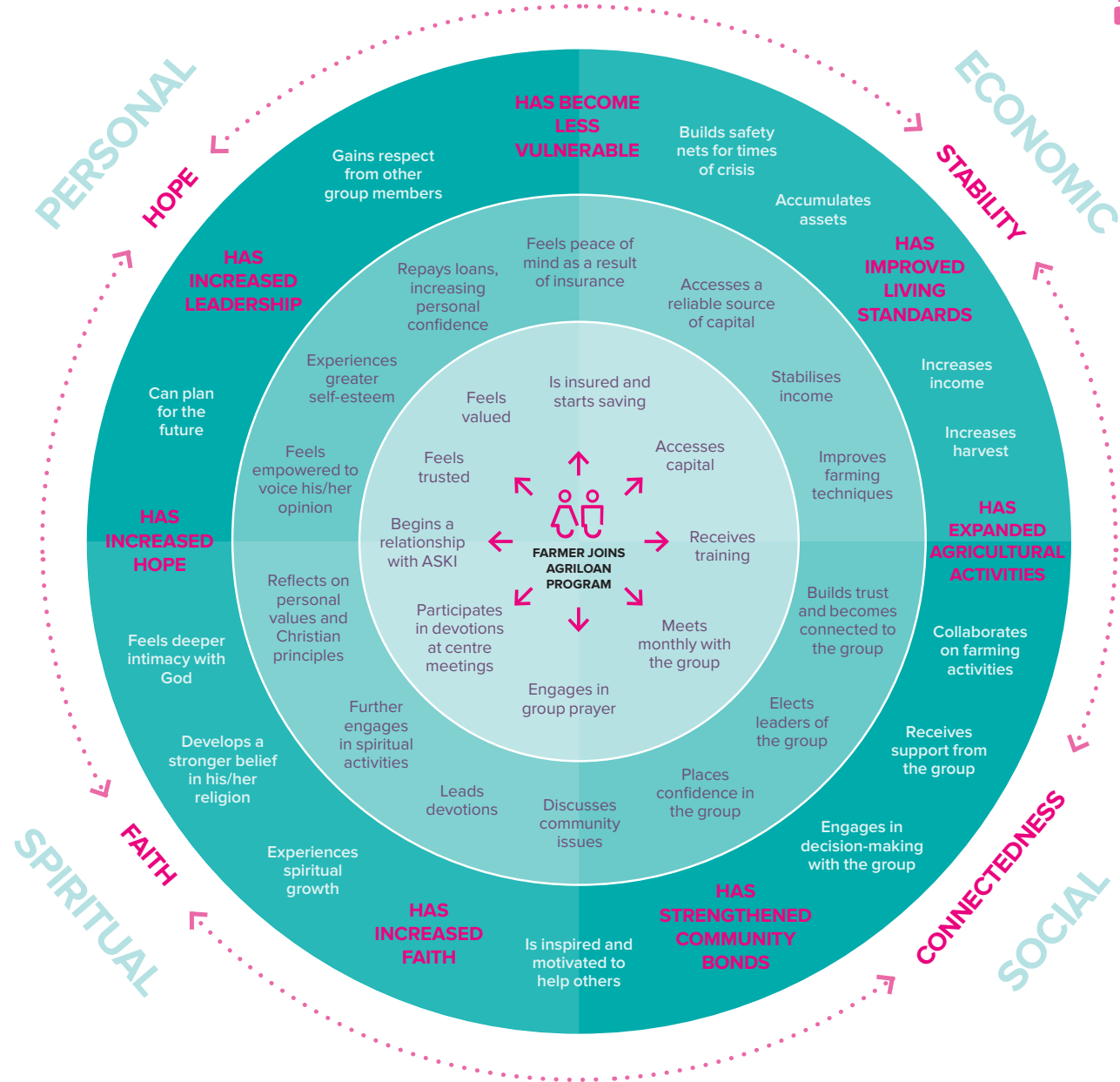
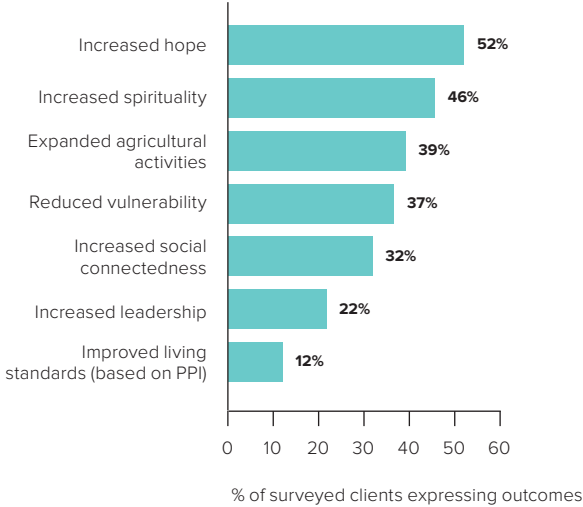
For clients, the first stage of transformation was reflected in activities or short-term outputs, which lead to longer-term outcomes of stability, hope, connectedness and faith. For both clients and staff, transformation commonly included increased financial stability, improved confidence and character, enhanced social connection and increased spirituality. These outcomes create a mutually reinforcing process of change which, when sustained through ongoing engagement in the agriloan program, leads not just to a reduction in poverty, but also to increased resilience.





The identified outcomes of the agriloan program are depicted in the diagram on the right. Their actual results are shown below and are based on PPI data and a transformation survey specially designed for the SROI analysis, aiming to test the outcomes expressed by clients during interviews.

The SROI results show that outcomes, such as hope and spirituality, had more positive responses than outcomes such as expansion of agricultural activities which are easier to quantify. The insights from this SROI analysis have further informed ASKI's theory of change and the social outcomes to be tracked through its SPM program.



A farmer's journey of transformation through ASKI's agriloan program



CAPACITY BUILDING AND BEST PRACTICES

Opportunity International's partners in East Asia have a proud history of serving marginalised communities – many partners originated as community development organisations. As our partners have evolved into microfinance providers serving thousands of clients, SPM can help incorporate their social missions into all aspects of microfinance operations.

THE PHILIPPINES

In 2012-13, Opportunity International began actively collaborating with Philippines-based partners ASKI, TSKI, TSPI and OK Bank to improve their capacity to understand client needs and use this information in strategic decision making and reporting.

Opportunity International's support enabled TSKI to develop a plan to work towards improved reporting of social performance data to management, Board members and other stakeholders. While some aspects of social

data were previously being collected, the data was not tied to TSKI's social goals. TSKI's work plan focused on developing a new set of social goals and indicators to be approved by its Board of Trustees.

Following these capacity building efforts, in September 2013, TSKI was the first organisation in the Opportunity International Network to report on the Social Performance Dashboard.

Clients living in poverty will typically benefit from a broad range of services. ASKI has extended its credit and loan services to provide individual loans to one-third of clients and specialised agricultural loans to one in five clients. Both ASKI and TSKI offer savings and insurance products to clients and are focusing their efforts on product innovation and better understanding clients' needs.

Beyond these microfinance products, ASKI and TSKI are working to make other key services available to their clients. Providing such services can be logistically challenging and require development of partnerships with government and third-party providers. This work is a sign of the commitment of organisations to meeting clients' needs as well as an acknowledgement of the importance of providing a broad range of services to ensure client growth, loyalty and retention.

Both organisations have introduced education and literacy programs, skills/business training, livelihoods programs and water and sanitation programs on a pilot basis. While these services are currently available to less than 5% of their clients, once proven, both organisations hope to roll these services out to a substantial proportion of clients. ASKI also has concrete plans to provide health education and healthcare services to clients.

INDONESIA

In 2013, Opportunity International developed its strategy to expand client-focused microfinance in Indonesia. The importance of SPM was a significant part of conversations with new partners Komida and Bina Artha.

Our new partners were assessed to ensure they share our mission and vision of reaching people in need and helping them transform their lives. In assessing organisations' social commitment, institutional efforts to understand clients and respond to their needs were considered to be strong indicators of shared mission. Partnership agreements with new partners included a statement that both parties will work together to implement SPM, consistent with our shared mission and vision.

Long-term partner Tanaoba Lais Manekat (TLM) operates across the remote and impoverished islands of eastern Indonesia. TLM previously piloted the PPI tool and, in 2014, will build its internal capacity (with the support of Opportunity International) to collect and use client data on an ongoing basis and report that data to stakeholders.

Range of services		ASKI	TSKI
		% of clients	
Credit/loan services	Group loans	45%	55%
	Individual loans	33%	2%
	SME loans	<1%	–
	Agricultural loans	21%	0%
	Educational loans	<1%	0%
	Health loans	–	–
	Emergency loans	–	<1%
	Other	1%	–
Other financial services	Savings	26%	100%
	Compulsory insurance	–	–
	Non compulsory insurance	93%	47%
	Pensions	15%	–
	Remittances	–	–

REMY'S STORY

By accessing the wide range of services offered by ASKI – loans, savings, insurance and livelihood training – Remy has been able to transform her family's future.

In response to challenges faced by local communities and following extensive market research, ASKI designed and introduced a loan tailored for small scale farmers, known as the ASKI Agriloan. The main characteristic of this loan is that it looks at the farmer's business cycle and sets the loan repayment date to match the harvesting season. This means that the loan repayments are aligned to farmers' cashflows. Through the agriloan, farmers also have access to savings and insurance, which allow clients to have safety nets in case of natural disasters, or emergencies and enable them to grow their businesses.

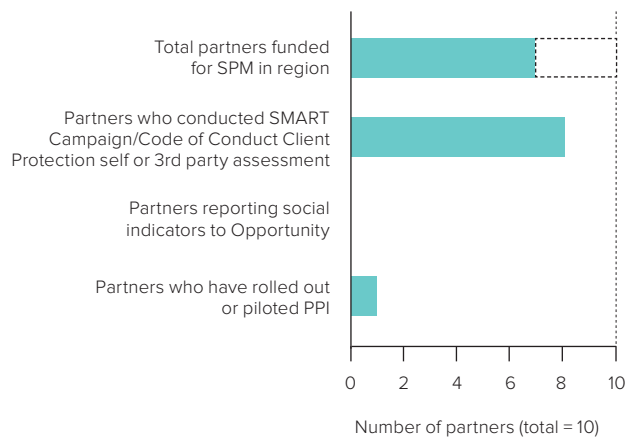
Remy was one of the early clients of the agriloan program. With a first loan of Php 5,000 (US\$110) she bought three pigs and started a small piggery. After 10 years as a client of ASKI, Remy reflects: "I joined ASKI because at first, I was thinking that with ASKI I can have capital. But then I found out it's not just about money, they also provide training to clients and knowledge." The agriloans have helped Remy stabilize her business and grow it.

Through her engagement with ASKI, Remy's eldest daughter, Amina, was able to finish school and went on to win a scholarship to study mathematics in the United States. Remy has also been able to take on an education loan from ASKI to finance her youngest daughter's education.

See page 28 for ASKI case study.
Remy's story continues on page 29.



AFRICA



HIGHLIGHTS

- Our partners in Africa are adopting SPM and making significant progress in implementing best practices, including endorsing and implementing the Triple Crown initiatives.
- All partners have assessed their practices against the USSPM, and many are already working towards compliance.
- Our SPM program was launched in Ghana, Uganda and Malawi in 2013.
- A digital data capture system is in pilot phase in Ghana, with the potential to simplify data capture and reporting across our global network.





CAPACITY BUILDING AND BEST PRACTICES

Opportunity International's SPM program in Africa was launched in 2013. Secured funding will enable us to support seven (of ten) partners over the next two years. We are currently developing innovative digital solutions for data capture, management and reporting. These solutions have the potential to be used across the Opportunity International Network and will improve the ease and cost-effectiveness of data collection.

During 2013, Opportunity International worked with Sinapi Aba Trust (SAT) in Ghana, Opportunity Bank of Uganda (OBUL) and Opportunity International Bank of Malawi (OIBM) to identify gaps in existing practices and assess compliance with the USSPM. From 2014, the SPM program will expand to additional partners in Ghana, Rwanda, Mozambique and the Democratic Republic of the Congo.

In addition, Opportunity International Savings and Loans (OISL) in Ghana has also been supported to develop an action plan for compliance with all essential practices of the USSPM within 12 months. So far activities have included the implementation of an effective grievance redressal system and the introduction of quarterly reporting on reasons for clients exiting the program. Ongoing technical assistance will be provided to OISL throughout 2014, with a similar approach planned for our partners in Rwanda and Mozambique.

Helping our partners achieve best practice in their operations results in the right clients having access to the right products and services, enabling them to transform their lives.

PILOTING DIGITAL SOLUTIONS IN GHANA

SPM data is usually collected through paper-based surveys, which can be cumbersome and are vulnerable to loss or damage. Digital solutions that enable electronic capture of data are preferable, as they improve transparency and facilitate robust monitoring and ease of reporting. Importantly, digital solutions can also reduce the time it takes to collect data, benefiting both clients and field staff.

Opportunity International is testing an electronic data capture solution at OISL that facilitates the collection, processing and reporting of financial and social data. The solution, Mobile Enterprise Open Sky (MEOS), is a mobile application built on an Android platform that's suitable for smart phones and tablets.

MEOS can operate online and offline, so users do not need to have an internet connection to capture and save the data. The loan officer captures client data using a tablet and when back in a mobile service area, he or she can upload the data onto the client's official record in the microfinance provider's core banking system. Following promising results at OISL, the pilot has been extended to two additional partners in Africa.

A digital system for social data collection will have wide-ranging benefits across our global network of partners. With sufficient funding, we hope that most of our partners in Africa and other regions will eventually have an electronic data capture option available. Opportunity International also hopes to develop a global solution for social data storage, analysis and reporting.



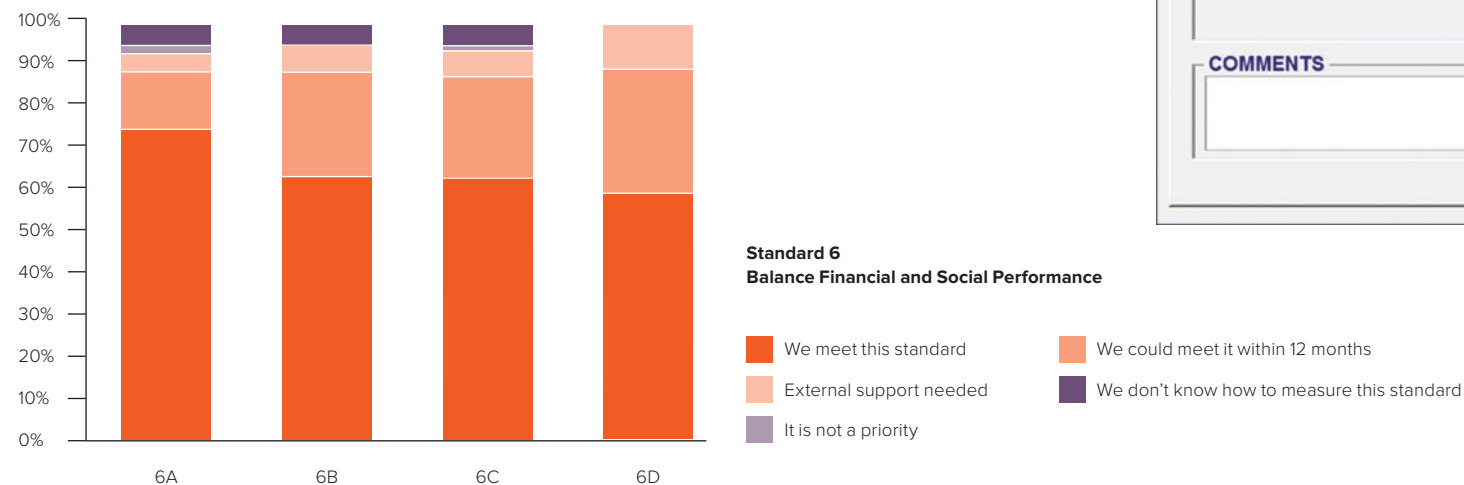
CAPACITY BUILDING AND BEST PRACTICES (CONTINUED)

USSPM SELF-ASSESSMENTS IN AFRICA

For microfinance providers, taking the first step in adopting universal standards for best practices can be daunting. In recognition of this, Opportunity International developed a self-assessment tool for our partners to evaluate their compliance with the USSPM. Adapted from a similar VisionFund tool, the tool helps partners reflect on current practices while also enabling Opportunity International to prioritise technical assistance by seeing the areas where each partner may need help.

Across Africa, the self-assessment tool highlighted that overall, participating partners were achieving 68% of essential practices and could meet a further 17% within 12 months. During 2014, Opportunity International will work with our partners in Africa to assist them in meeting any essential practices that require additional efforts.

The self-assessment tool (a sample shown to the right, as completed by one of our partners in Africa) is based on the USSPM. The chart below reflects how our African partners assess their compliance with each of the 99 essential USSPM practices. While ongoing monitoring is important, the self-assessment tool has proved valuable in starting conversations and helping partners begin the SPM journey.



SECTION 6: BALANCE FINANCIAL & SOCIAL PERFORMANCE

STANDARD 6A: Growth rates are sustainable and appropriate for market conditions, allowing for high service quality.

6a.1 | 6a.2 | 6a.3 | 6a.4

The institution sets sustainable target growth rates for all branches/regions and for all products, considering both internal factors (e.g., staffing, information systems, financing) and external factors (e.g., competition, market saturation, client over-indebtedness).

STATUS? (Please click only ONE option)
☐ We meet this standard
 ☐ We could meet it within 12 months
 ☐ External support needed to meet this standard
 ☐ It is not a priority to meet this standard
 ☒ We don't know how to measure this standard

CONSULTATION
 Did you consult with relevant staff in responding to this question?
☒ YES ☒ NO

DATA
 Is there data available that confirms your response?
☒ YES ☒ NO

COMMENTS

DONE!

SPM CASE STUDY



SINAPI ABA TRUST

Pilot surveys and adoption of best practices are helping Sinapi Aba Trust sharpen their focus on clients.

Sinapi Aba Trust (SAT) is one of Opportunity International's microfinance partners based in Kumasi, Ghana. It provides loans and savings accounts to 150,000 clients across all 10 regions of Ghana.

With financial support from the UK Government's Department for International Development, and the technical assistance of implementation-partner MicroSave, an initial assessment of SAT's SPM implementation was carried out in early 2013. This comprehensive exercise involved several branch visits and interviews with clients, staff and Board members. This led to the creation of an action plan providing SAT with a clear pathway to adopt new tools and policies needed to manage social performance and embed best practices in SPM.

The next phase of the project was to build SAT's capacity to collect, analyse, report and use social data in decision making. This involved finalising a list of social indicators with SAT management (incorporating Opportunity International's Social Performance Dashboard), establishing processes for data collection and management, and training relevant staff. A 'train the trainer' approach was used in order to equip key staff with the skills to direct the implementation of the program. A pilot plan involving four researchers and 28 financial service officers was developed to test the new system from October 2013, involving 300 client surveys at nine different branches over a three-month period.

SAT is committed to the SPM journey, believing that collecting and using social data will inform decision making and service delivery.

According to a loan officer involved in the pilot program, "The program has enlightened us to know the poverty levels of our clients and the communities they live in. From now on we will be able to know what products to give to our clients... I recommend that this program be extended to other branches in order to sharpen our dealings with our clients".

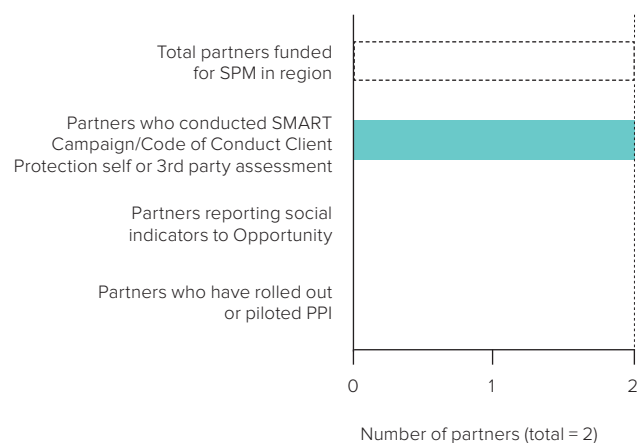
SAT will work to close the gaps between current and best practices, extending data collection across its portfolio. This will enable use of data to improve products and services for all clients and also enable reporting to key stakeholders, both internal and external.



"The program has enlightened us to know the poverty levels of our clients and the communities they live in."

SAT loan officer

EASTERN EUROPE



HIGHLIGHTS

- Opportunity Bank Serbia (OBS), achieved a commendable social rating of A- (A is the 2nd highest of 6 grades) at the end of 2013, and hopes to achieve certification by the end of the first quarter of 2014.
- Opportunity Microcredit Romania (OMRO), with support from the Microfinance Centre in Europe, reviewed its practices against the USSPM and has developed a plan to meet the standards, including achieving SMART Campaign certification in 2014.
- Opportunity International's partners in Romania and Serbia made significant progress in adopting best practices during 2013.



SPM CASE STUDY



OPPORTUNITY BANK SERBIA

When Opportunity Bank Serbia (OBS) implemented the highest standard of best practices in social microfinance it instilled a renewed sense of client service in staff and management.

OBS is one of a handful of microfinance providers in the country, offering loans and savings products to entrepreneurs and agricultural producers who would otherwise be excluded from a banking system that favours established businesses. Despite this unique position, OBS has struggled to differentiate itself and communicate its social mission to potential clients and social investors. Implementation of SPM was therefore seen by OBS management as an opportunity to reinforce its social credentials.

In 2013, with assistance from *MicroFinanza Rating*, OBS worked towards SMART Campaign certification (see page 6), a significant commitment on the part of the staff and management team. As Mirjana Panin, OBS' lead in SPM implementation, says, "SPM practices affect all activities of our bank, all the departments and all levels of decision making." Working towards certification had two significant benefits for OBS. Firstly, while many SPM practices had already been embedded in day-to-day activities, there were gaps where service to clients could be improved. "We find that SPM is very beneficial in... reducing credit risk with prevention of overindebtedness of the clients." Head of Risk at OBS says.

Secondly, OBS realised that many good practices existed on paper, but that there was a need to improve the communication of these practices to staff and other stakeholders. The benefit from better communication was immediate – instilling a renewed sense of client service in staff and management.

Significant improvements implemented during the certification process included translating OBS' mission into clear, measurable objectives in the Strategic Business Plan, integrating systems for client protection, and establishing a SPM sub-committee on the Board.

OBS hopes to achieve SMART Campaign certification in early 2014 attracting the support of social investors and contributing to OBS' reputation as a client-focused microfinance provider. CEO Vladimir Vukotić sees the SPM work as integral to the future success of OBS, noting that **"SMART certification confirms our dedication to the double-bottom line and clearly presents OBS as a responsible MFI which measures its success not only by its financial performance, but by social performance as well."**



"SMART certification clearly presents OBS as a responsible MFI which measures its success not only by its financial performance, but by social performance as well."

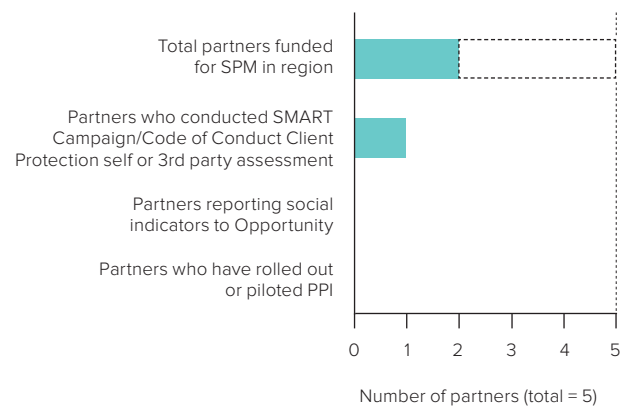
Vladimir Vukotić, CEO, OBS

LATIN AMERICA



HIGHLIGHTS

- Opportunity International's SPM program in Latin America was launched in 2013 with a workshop involving all partners in the region, followed by attendance at the SPM Latin American Forum in Panama, a further opportunity to engage with best practices and current trends in SPM.
- We will start working with two partners (in Honduras and Colombia) in the first half of 2014, including an initial assessment of current SPM practices and the provision of technical assistance.
- Three partners have assessed their practices against the USSPM. This exercise has allowed them to become more familiar with the Universal Standards and identify gaps.



SPM CASE STUDY



OPPORTUNITY INTERNATIONAL COLOMBIA

Opportunity International Colombia (OIC) is a financial institution operating in the third largest microfinance market in Latin America. After a meeting in Panama to launch Opportunity's SPM strategy with all Latin American partners, OIC is taking the lead to embed SPM practice within the organisation, and within the region. Opportunity International Network hopes to fund technical assistance for partners in Latin America in future. In the meantime, OIC has been putting together internal efforts to take first steps towards SPM best practice.

The first step was to appoint an SPM champion that can coordinate and promote all SPM efforts. Brian Olarte, OIC's Transformation Manager, was officially appointed as the organisation's SPM champion back in June and has been making great progress in introducing SPM practice at OIC.

The next step was to endorse the Triple Crown initiatives – endorsing SMART Campaign, Microfinance Transparency and becoming a member of the SPTF (see page 6). As SPM champion, Brian has coordinated a self-assessment exercise for both the SMART Campaign and the USSPM. In doing so, the organisation has become familiar with the client protection principles and essential practices for SPM, and has identified some main gaps to start working with.

Below, Brian shares his plan and thoughts as SPM champion:

“We are focusing on getting complete support from our Board and Executive team to ensure the success of the project, thankfully we have the entire support from both bodies. The second area of focus is to ensure that we have the correct information gathering and reporting tools that will enable us to measure our social performance. We will then focus on training and informing the entire organisation on SPM practice and its importance for us as an MFI and as an Opportunity International entity. Lastly we will roll the initiative out.

For OIC's clients it will mean that their bank is conducting itself in a way that has their rights and interests in mind, our clients will be aware of SPM and how we are working to protect them and provide products and services that really help them.”



“... our clients will be aware of SPM and how we are working to protect them and provide products and services that really help them.”

Brian Olarte
Transformation Manager, Opportunity International Colombia



ASKI – AN SPM JOURNEY

Opportunity International's partner in the Philippines, ASKI, is internationally recognised as a client-focused organisation and is one of the most advanced adopters of SPM. A closer look at ASKI's SPM journey shows the importance of sustained commitment to the project and highlights the challenges of incorporating SPM into day-to-day work and management decision making.

As early as 2006, ASKI established a Research and Development (R&D) department to improve its understanding of clients and their needs through market research, impact assessments, and client satisfaction and client exit surveys.

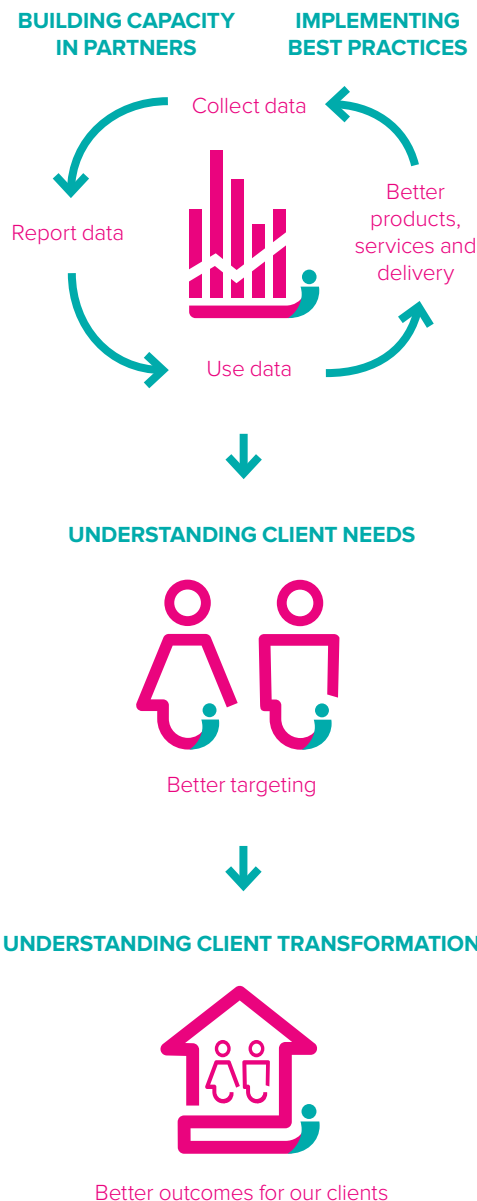
In 2008, ASKI committed to adopt the PPI to track clients' progress out of poverty. After a pilot test, the PPI was incorporated in the loan application process and rolled out during 2009. By 2010, ASKI was collecting PPI data for all clients and integrating this data in its core banking system. In order to ensure data quality, all loan officers undergo extensive training and an internal audit team conducts regular checks at branches. Using this data, the R&D team regularly analyses changes in the poverty levels of ASKI's clients and provides reports to a variety of external stakeholders.

In 2013, an in-depth assessment of ASKI's practices against the USSPM identified areas for further improvement. While ASKI had established social targets based on outreach to clients living in poverty, it lacked targets for the achievement of outcomes in the lives of clients. The assessment also identified that targets should be directly linked to ASKI's organisational strategy.

This assessment enabled ASKI to prioritise resources to address the most significant issues. ASKI is now using data to set targets for both outreach and outcomes, and is planning to establish targets for the percentage of clients progressing out of poverty.

In response to the assessment of ASKI's compliance with the USSPM, ASKI made various modifications to its client grievance policy including implementing changes to Komento Mo – its mechanism to receive and process client feedback. The changes will bring about more systematic recording of client feedback and clearer action plans for feedback resolution to ensure that client concerns are properly addressed and their voices are heard.

The next step in ASKI's SPM journey, is to integrate social data into strategic decision making, as well as pursuing full compliance with all aspects of the USSPM. Opportunity International is supporting ASKI through engaging MicroSave to provide technical assistance and mentoring to key staff to develop systems and processes for the effective use of data. As Joy, ASKI's HR Manager, says, "We want to institutionalise SPM in everything we do."



ASKI has been recognised for its client-focused approach with the following accolades:

- Certificate of Merit (Best Innovation in Financial Services) Association of Development Financing Institution in Asia Pacific and European Organisation for Sustainable Development (2013)
- European Microfinance Award (agriculture product) (2012)
- Certificate of Transparency Microfinance Information eXchange Inc (MIX)
- Most Outstanding NGO in the Philippines (National Livelihood Development Corporation) (2011)
- Certified in all levels in PPI implementation, including tracking change in PPI score over time (2011)
- A social rating of A- with *MicroFinanza Rating* (2013)



FROM REMY'S PERSPECTIVE

The ultimate beneficiaries of SPM work are the clients. SPM helps us translate our social mission into practice. Our SPM strategy is about building capacity in partners to embed SPM in their day-to-day practice, and ensuring best practice in the delivery of our microfinance services. Doing so will allow us to better understand our clients and better understand how we help transform clients' lives.

Remy is a client of ASKI. (Introduced on page 19).

Before joining ASKI, Remy was working as a day labourer at a farm, earning a salary of Php 100 (US\$2/day). "Before I used to work in the village digging for onions on somebody else's land. I had a salary from the landowner of Php 100. They did not pay me enough to provide for my two children. They were four and five years old, in elementary school."

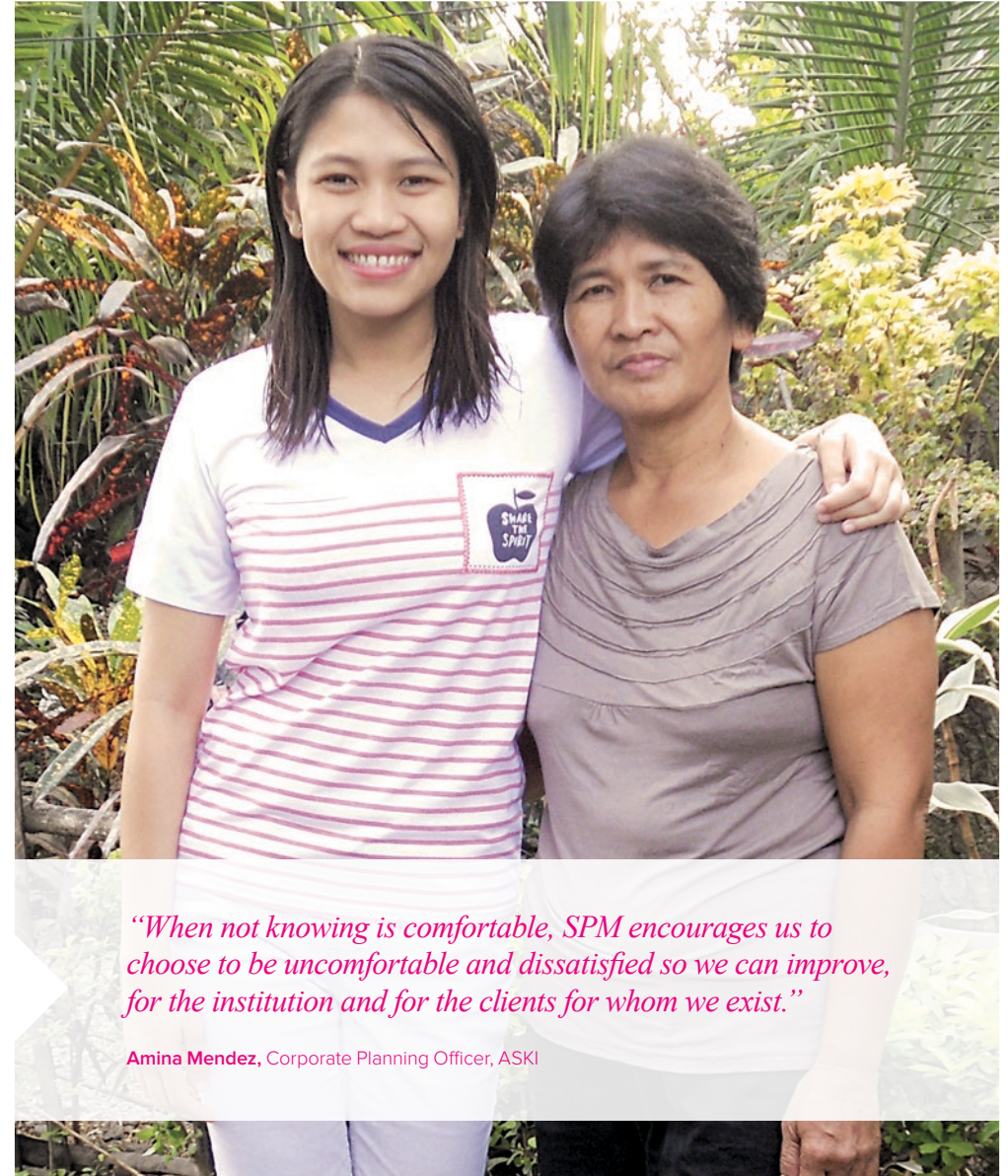
Although the PPI was not being used to target clients at the time, Remy's vulnerable situation would have been considered by ASKI staff targeting people living in poverty. ASKI's understanding of clients, has allowed clients like Remy to access loans tailored to their needs. Remy was able to start a small piggery by accessing the agriloan, enabling her to plan not just from harvest to harvest, but for the long term. Remy has invested in livestock and changed her business model: "Before, I'm just buying piglets. But at this time I have my *baboy* (sows); they are giving piglets... It's more profitable to do that than just sell them."

ASKI understands that its impact in the lives of clients extends beyond increasing their daily incomes. Many long-term clients experience a range of economic, personal, social and spiritual benefits through their involvement with ASKI (see page 17).

However, for Remy the impact of her journey with ASKI is best reflected in her two daughters. Her eldest daughter Amina received a scholarship from ASKI to pursue tertiary study in the US, while her youngest daughter Rina is currently studying to be a teacher. According to Remy, "Education is important to me. My children have an education and now I see a brighter tomorrow, a brighter future. I want them to have a different kind of life, one where they don't have to go hungry or worry about the future", she says. ASKI's ongoing support helped Remy to achieve the outcomes that she valued – seeing a brighter future for her two daughters.

After finishing her studies in the US, Amina decided to come back to her hometown and applied to work at ASKI. She was appointed to the role of Corporate Planning Officer at ASKI, where one of her main tasks is to coordinate and build SPM capacity throughout ASKI's departments, and to collect and consolidate ASKI's social performance information for external stakeholders such as Opportunity International and other social investors. According to Amina, "When not knowing is comfortable, SPM encourages us to choose to be uncomfortable and dissatisfied so we can improve, for the institution and for the clients for whom we exist."

ASKI continues to be a leader in the adoption of SPM and best practices, its transformative potential is best encapsulated in Remy's eldest daughter. Amina, recipient of an ASKI scholarship to study in the US, is currently employed as Corporate Planning Officer at ASKI.



"When not knowing is comfortable, SPM encourages us to choose to be uncomfortable and dissatisfied so we can improve, for the institution and for the clients for whom we exist."

Amina Mendez, Corporate Planning Officer, ASKI

PROJECT SPONSORS AND DELIVERY PARTNERS

SPONSORS

Our sponsors understand the importance of the SPM vision: To see continually improving outcomes for clients made possible through consistent and comprehensive social data. Their visionary support of the initial stages of Opportunity International's SPM work is creating a solid foundation for a future where our partners will be better able to empower people living in poverty to transform their lives.

Macquarie Group Foundation awarded funding to Opportunity International's SPM program in 2012. This funding covers two years of support to our SPM program in India for organisations that are committed to positive social impact.

"The Macquarie Group Foundation supports Opportunity International's SPM program because it's about putting families first. In India, I was moved by a truly inspiring woman who proudly showed me the rice plots that helped her send her children to school. I was impressed to see first-hand the innovation and progress that's helping mothers like her"

Lisa George
Global Head, Macquarie Group Foundation



Lisa George (centre) pictured with ESAF client (left) and ESAF loan officer (right) during visit to India in December 2013.

The UK Government's *Department for International Development* (DFID) provided matching funding for Opportunity International UK's fundraising campaign at the end of 2012. DFID supports capacity building projects, including those that aim to improve monitoring and evaluation of interventions that benefit people living in poverty. This funding enabled the launch of the SPM program in Africa.

The Australian Government's Overseas Aid Program has supported Opportunity International's SPM Program since 2009. In 2013, *Australian Aid* funded two projects: SPM implementation among three partners in the Philippines and USSPM pilot testing at three network partners.

DELIVERY PARTNERS

EDA Rural Systems has helped deliver Opportunity International's SPM strategy since 2008. Support in past years has focused on building the capacity of our partners in India to implement SPM. EDA Rural Systems also enabled three partners to pilot test the USSPM – helping them develop action plans to meet the standards and generating global lessons for the refinement of the USSPM.

MicroSave is working with partners in Africa to build their capacity to implement best practices and report on Opportunity International's Social Performance Dashboard. MicroSave has provided SPM support to partners in India, Indonesia and the Philippines and will work with at least seven partners up to early 2015.

Opportunity International partnered with *MicroFinanza Rating* to promote best practices across our network of partners. *MicroFinanza Rating* is Opportunity International's preferred partner for SMART Campaign certification and has already worked with two of our partners in Eastern Europe – OMRO and OBS (see page 24 for more information) – to prepare them for certification. Opportunity International and *MicroFinanza Rating* expect to help at least six additional partners achieve certification in the next 12 months.



Australian Government
Department of Foreign Affairs and Trade



MicroSave
Market-led solutions for financial services

MICROFINANZA
RATING

REFLECTING ON WHAT MATTERS MOST

Dear Opportunity International Colleagues, Friends and Supporters,

At its heart, SPM is about our commitment to helping people transform their lives. We believe, as Jesus taught, that when we humbly serve the poor we are serving Him.

From clients to staff and volunteer board members to donors, our success over the years is the result of the hard work, dedication and determination of the entire Opportunity International family to transform lives and change the world. I'm particularly proud of the progress we made in 2013 in places like India, where we piloted our SPM program, and Latin America, where we recently launched our SPM strategy with great expectations for success. In addition, our continued work with client-focused partners in the Philippines and positive momentum we have generated in Africa, and Eastern Europe, demonstrate what is possible when the Opportunity family joins together as a team.

As evidenced by the case studies in this report, our work is having a real impact on lives and communities. Our partners are building on existing strengths while implementing best practices, providing client-focused services and expanding outreach to serve those in need. As important, these benefits are cumulative, as each and every step we take gives us a greater understanding of our clients' needs, hopes and dreams.

There have been, and will continue to be, considerable challenges along the way. There is plenty of work to do to improve client-focused microfinance through our more than 40 partners in 22 countries. We must remain united and committed to fully implementing and rolling out the SPM program to all of our partners. To be successful requires the continued support of donors who share our mission of empowering people living in poverty to transform their lives, their children's futures and their communities.

As we reflect on our progress over the last year, let's also rededicate ourselves to creating an even higher level of joy and success for clients in 2014 and beyond. Together, we are making a difference.

Blessings,



David L. Simms

Head of Global Strategy & Network Relations
Opportunity International





The Opportunity International Network is a global coalition of organisations dedicated to using microfinance to provide opportunities for people in poverty to transform their lives.



IMPLEMENTING PARTNERS

More than 40 implementing members provide microfinance services to clients in 22 countries.

Romania	South Africa
Serbia	Zimbabwe
Macedonia	Philippines
Ghana	Indonesia
Uganda	China
Malawi	India
Mozambique	Honduras
Rwanda	Colombia
Democratic Republic of Congo	Dominican Republic
Tanzania	Nicaragua
Kenya	Peru

SUPPORTING MEMBERS

Our seven Supporting Members raise funds to support the growth of our implementing members.

Opportunity United States

www.opportunity.org

Opportunity Australia

www.opportunity.org.au

Opportunity Canada

www.opportunityinternational.ca

Opportunity Deutschland

www.oid.org

Opportunity Hong Kong

www.opportunity.org.hk

Opportunity Schweiz

www.opportunity-schweiz.ch

Opportunity United Kingdom

www.opportunity.org.uk

OPPORTUNITY INTERNATIONAL SOCIAL PERFORMANCE MANAGEMENT TEAM

Head of team:

Calum Scott, Program Impact Director
cscott@opportunity.org.au

Team members:

Tatiana Peralta, Project Coordinator
tperalta@opportunity.org.au

Kate Saunders
kساunders@opportunity.org.au

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NETWORK OFFICE

Angel Court, 81 St Clements, Oxford, OX4 1AW, UK
+44 (0)1865 725 304