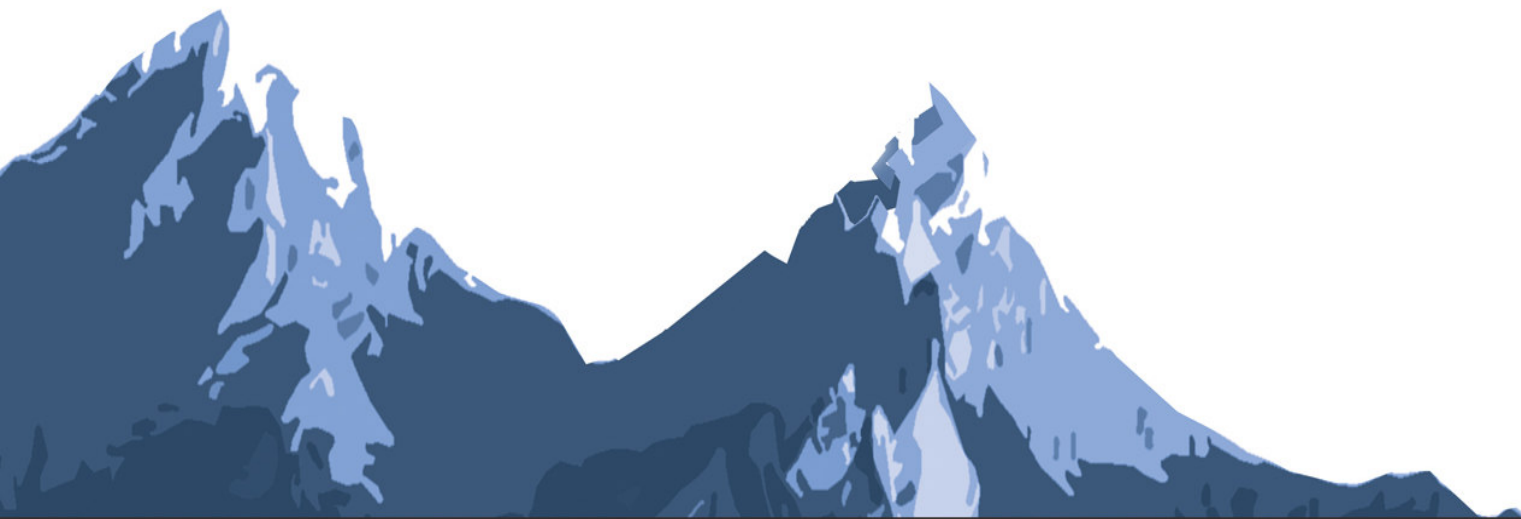


## Social Performance ratings

Ratings and Evaluation of Occupational Safety and Health at the Client Level

**Nadine Chehade, MENAC Director**



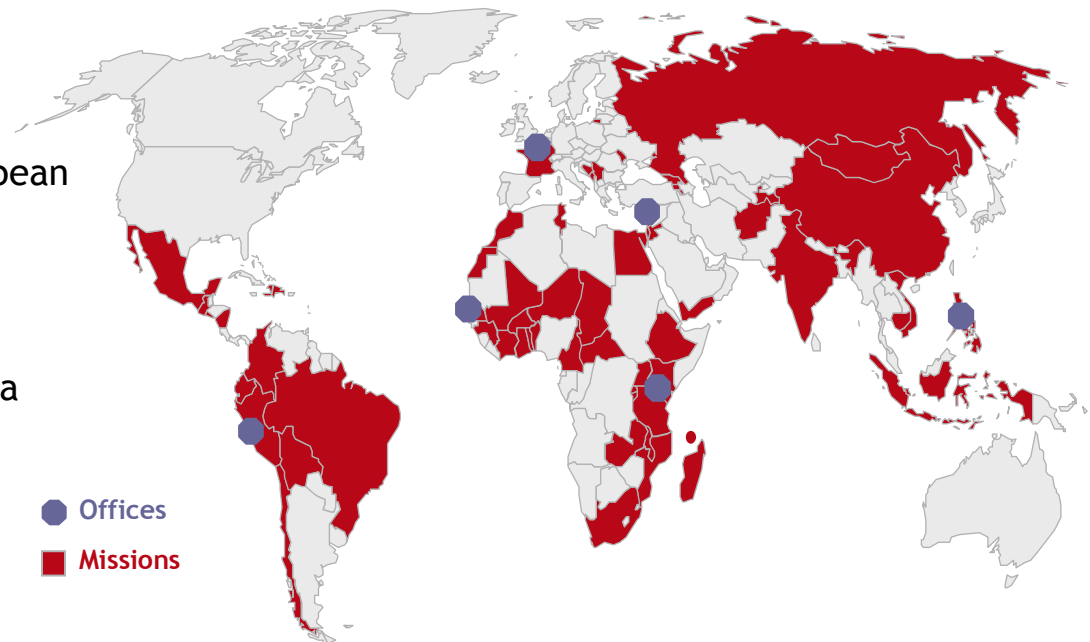
# Planet Rating: The Global Microfinance Rating Agency



Created in 1999 and became a private independent rating firm in June 2005

Planet Rating has the most extensive global coverage, thanks to a network of 6 offices spread over 4 continents

- Paris HQ: covering Eastern Europe
- Lima Office: covering Latin America & the Caribbean
- Dakar Office: covering West & Central Africa
- Nairobi Office: covering East & Southern Africa
- Beirut Office: covering Middle East & North Africa
- Manila Office: covering Asia



## Qualified & experienced team

- Each senior analyst has conducted at least 12 rating missions on 3 different continents
- Analyst backgrounds: investment banking, management consulting, non-profit, microfinance

## *Definition accepted by the International Social Performance Task Force (SPTF)*

Social Performance is the effective translation of an institution's social mission into practice in line with accepted social values that relate to

- Reaching poorer and excluded clients;
- Improving the lives of clients and their families;
- Widening the range of opportunities for communities.



Intention

Implementation

Results

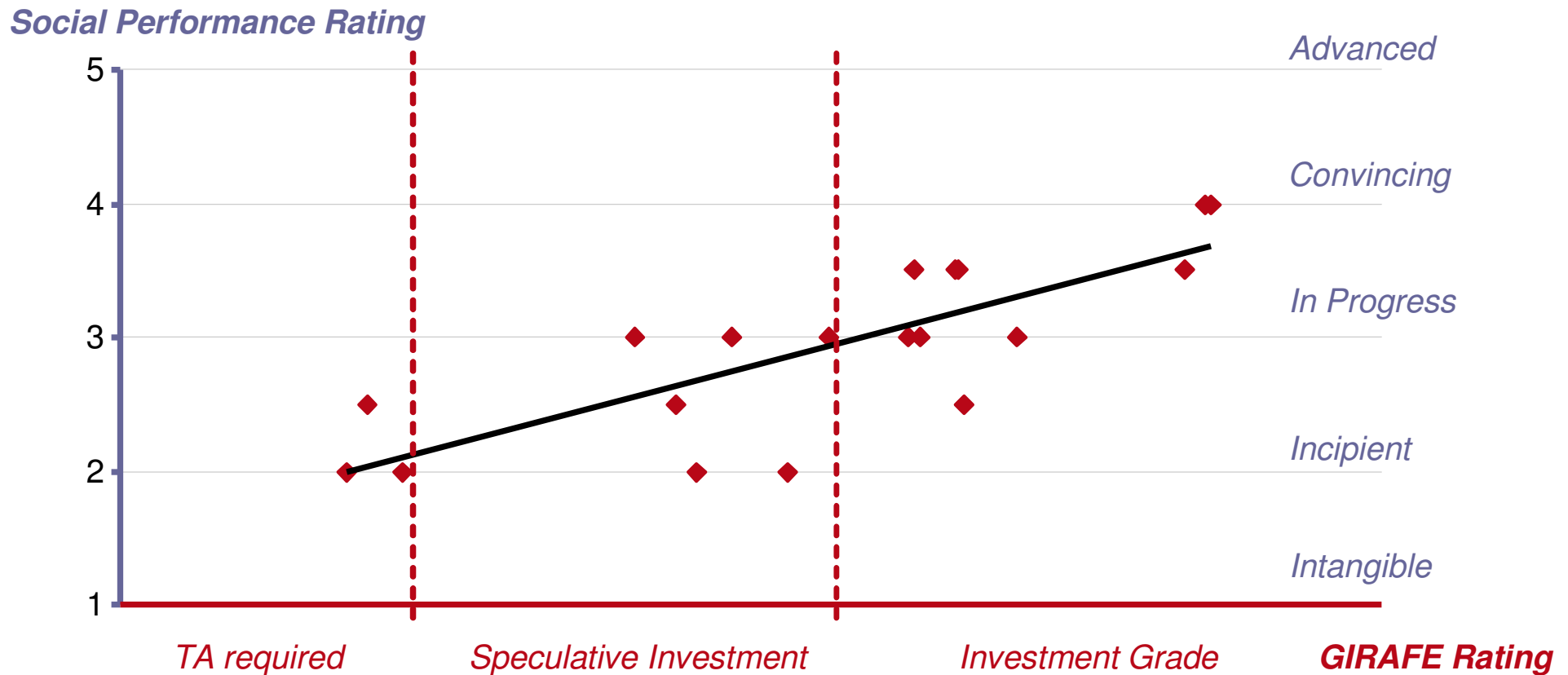
- Our Social Ratings provide an opinion on the capacity of an MFI to achieve its social goals
  
- It being understood that
  - the social mission of a Microfinance Institution should be In line with the broad mission of microfinance, i.e. “provide access to reliable financial services to those usually excluded from formal financial services”
  - A microfinance institution should be Socially Responsible and respect the fundamental rights of the different stakeholders (clients, staff, community in which it works, environment)

- Scale with strong emphasis on the evaluation of the **Social Performance Management** systems
  - Considered as a strong predictor of performance
  - Currently measurable and comparable
- **Information and evidence** of performance needed to reach the higher levels of the scale

| Rating | Definition   |
|--------|--|
| 5      | <b>Advanced:</b> Long-lasting commitment to social goals. Efficient management of social performance and social responsibility risks. Institution very likely to achieve a positive social impact. |
| 4      | <b>Convincing:</b> Clear commitment to social goals. Reasonable management of social performance and social responsibility risks. Institution likely to achieve a positive social impact.          |
| 3      | <b>In progress:</b> Clear intent to reach social goals. Social performance management systems being implemented.   |
| 2      | <b>Incipient:</b> Clear intent to reach social goals. Low capacity to manage social performance.   |
| 1      | <b>Intangible:</b> Intention to reach social goals is non tangible. Low level of management of social performance.   |

# Full information on the Performance of the MFI

- Rating designed to allow Investors to differentiate MFIs based on their social and financial/institutional performance
  - Institutional and social performance often come together
  - For a same institutional performance, MFIs are performing differently in terms of



## Institutionalization of the Social Mission

- Social Mission and Strategy
- Social Performance Monitoring
- Staff Mobilization

## Targeting and Service Offering

- Breadth of outreach
- Client Targeting
- Service Design and Client Satisfaction
- Cost of the Services

## Social Responsibility

- To Clients
- To Staff
- To the Community
- To the Environment

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## Social Responsibility

- To Clients
- To Staff
- To the Community
  - Non Financial Services
- To the Environment

The 6 client-protection principles are specifically related to the access to financial services;

For example, the safety of clients' carrying cash is evaluated here with the principle "prevention of over-indebtedness"

Occupational safety and health **staff-level**

Occupational safety and health **client-level**

## Social Responsibility > Non Financial Services > Occupational safety and health

- In Planet Rating's view, Occupational safety and health at the client-level is **not directly related to the provision of financial services** and may greatly vary independently of the MFI
- **However, some MFIs have started some projects to improve occupational safety and health of their clientele**
  - In Jordan, Tamweelcom recently initiated a project with ILO to improve the working environment of its clients, decrease child labor, and promote insurance.
- For MFIs providing specific non-financial services in that area, Planet Rating would **adapt its evaluation framework to assess:**
  - Intentions: clarity and consistency: Are objectives and targets related to occupational safety and health consistently defined?
  - Implementation: is the MFI reaching these targets?
    - efficiency assessed through indicators used by the MFI and existing standards (e.g. ILO)
  - Results: How do these achievements compare to national and international standards?
- If data is not already available at the MFI level, Planet Rating can contract a specialized survey company to conduct client surveys and collect client-level data

Thank you !  
Questions and Answers

## ■ Global Headquarters

13 rue Dieumegard  
93400 St-Ouen Paris - France  
Tel: +33 1 4921 2630  
Fax: +33 1 4921 2627

## ■ Latin America

Francisco de Paula Ugarriza 813 - Oficina 301  
Miraflores, Lima 18 - Peru  
Tel: +51 1 242 4597  
Fax: +51 1 242 4597

## ■ Asia

444 EDSA 21st floor, Guadelup Viejo  
1211 Makati, Manila - Philippines  
+63 907 385 0035

## ■ West Africa

Boulevard Djily Mbaye  
Immeuble FADH, 14th floor  
BP 5695 Dakar - Senegal  
Tel/Fax: +221 33 821 79 39

## ■ East Africa

Plot 23b Bandali Rise - Bugolobi  
PO Box 36179 - Kampala - Uganda  
Tel: +256 414 236 745

## ■ Middle East & North Africa

Picadilly Bldg #407  
Hamra Street  
Beirut - Lebanon  
Tel: +961 3 11 96 81