

Social Performance ratings

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

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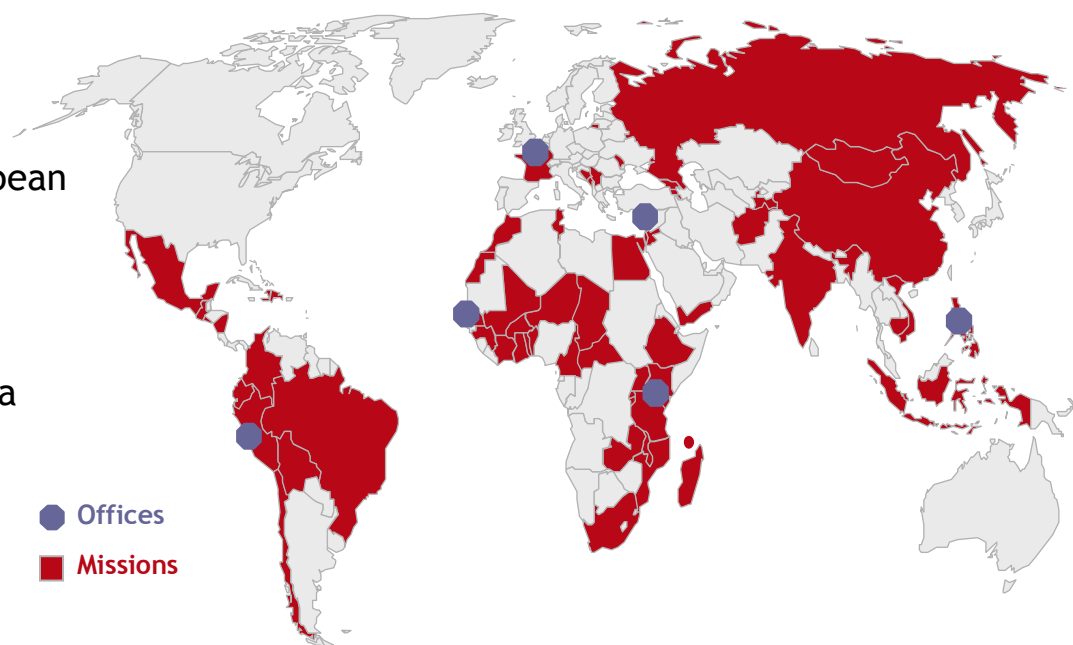
Planet Rating: The Global Microfinance Rating Agency



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)

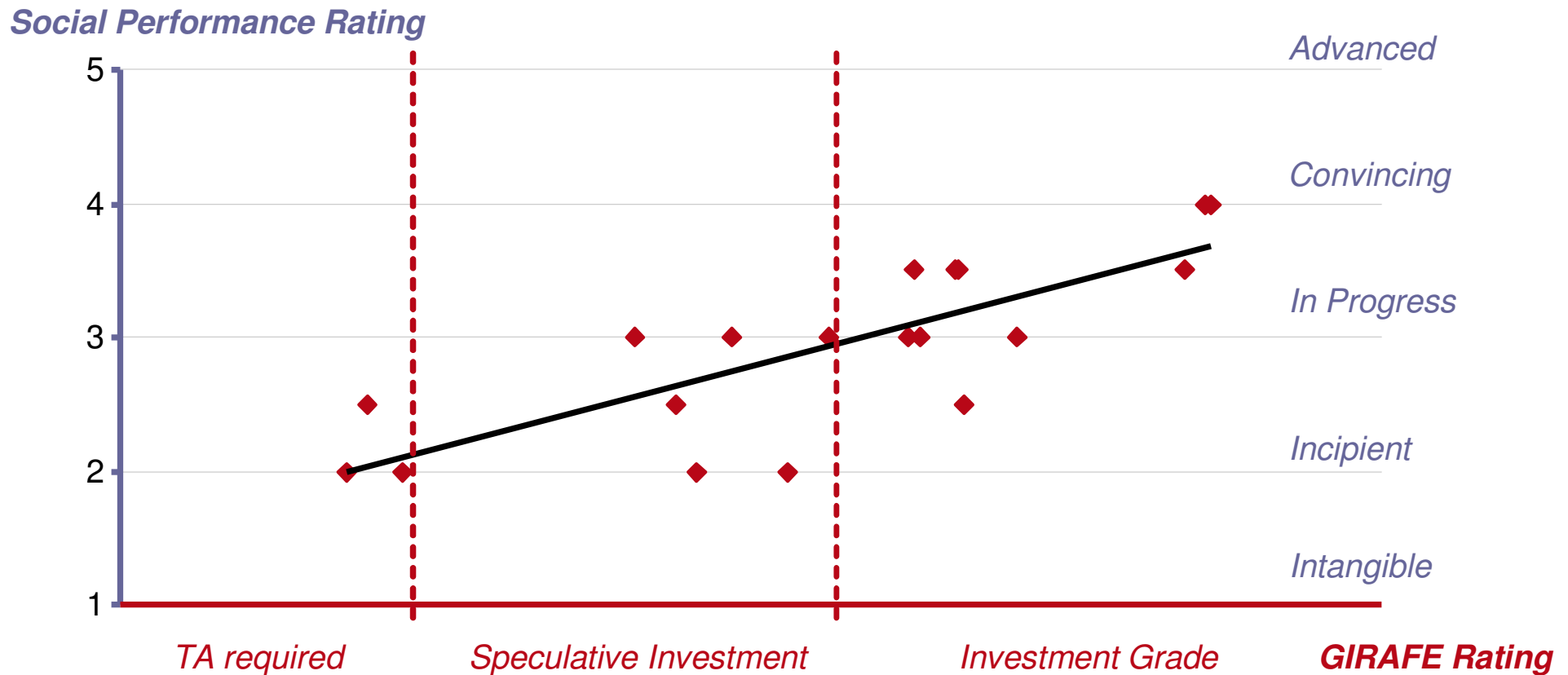
Planet Rating - What do we rate? - Rating scale

- 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	Advanced: 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	Convincing: Clear commitment to social goals. Reasonable management of social performance and social responsibility risks. Institution likely to achieve a positive social impact.
3	In progress: Clear intent to reach social goals. Social performance management systems being implemented.
2	Incipient: Clear intent to reach social goals. Low capacity to manage social performance.
1	Intangible: 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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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



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