

## **I. The design of the tool**

1. Social objectives of the organization
2. *Social responsibility* of the organization
3. The management of *social performance in the organization*
4. Client protection

This is followed by the **Oxfam Novib Gender Traffic Light** tool, which Triple Jump is now also responsible for filling-in.

Through this tool, we want to analyse intentions, strategies, processes and results of the MFI in the field of social objectives. This analysis serves two objectives:

- a. To analyse whether the MFI serves a social mission, which Oxfam Novib and Triple Jump can support;
- b. To analyse in which ways Oxfam Novib and Triple Jump can assist the MFI in (better) reaching its social objectives.

We would like to see that intentions, strategies, processes and results are coherent between each other leading to data on output and outcome data which can be verified. Many MFIs use their MIS to collect and analyse these data. If no system is available, Oxfam Novib and Triple Jump can offer the SIM tool.

The tool should lead to an analysis on the items indicated. Where improvement is required, a plan and time frame should indicate the way this will be achieved. This should include costs and required support (possibly by Oxfam Novib).

Before an assessment is being made, the answers on the following questions should indicate whether an organization qualifies as a partner for Oxfam Novib.

## **II. Pre-assessment questions (before a decision is taken to do a due diligence).**

Do the objectives of the organization match with the objectives of Oxfam Novib

- Are the MFI's objectives in line with the vision, mission and values of Oxfam Novib?
- Are the MFI's objectives aligned with the objectives of Oxfam Novib in the region or country in which it is operating?
- Does the MFI have goals or objectives in the area of Gender Justice? Does the MFI's business plan contain gender justice objectives?
- Does the MFI reach (or have the potential to reach) a majority of women (preferably 70%) in its clientele?

### III. The Social Performance Questionnaire

		Additional info
1.	<b>ACHIEVING SOCIAL OBJECTIVES</b>	
	<b>INTENT</b>	
	<b>Mission</b>	
Intent	1. Describe the mission of the institution	- date of formulation or update - does the business plan contain gender justice objectives (GTL question 1: score 1, 2 or 3)
	<b>Identifying Social Objectives</b>	
Intent	2. Do your social objectives include:	
	Outreach to very poor, poor, or low income people; SMEs; under-developed areas; women; socially marginalized and/or excluded groups or people	
	Supporting employment (self and hired employment)	
	Observing a change in the lives of your clients and /or their households; a change in the local community	
	Empowerment of Women	(more income for women, more decision power for women, more education for women)
	Client satisfaction with products	(distinguishing men and women)
	Other social objectives	
	<b>Strategy, Process and Results: Do you have a strategy to ensure that target clients are reached?</b>	
	<b>Entering clients</b>	
Strategy	3. Have you set (measurable) objectives for your social objectives?	- Including gender targets (GTL question 2: score 1, 2 or 3)
Strategy	4. Have you sought to understand the wants and needs of your target clients?	
Strategy	5. Does the organization apply a gender analysis to its work?	(GTL question 7, score 1, 2 or 3)
	<b>Entering clients</b>	
Process	6. Do you measure the poverty levels of your <b>entering</b> clients?	
Process	7. How do you measure the Poverty level of entering clients?	
Result	8. Percentage of very poor, poor or low income entering clients (please answer one or more):	
	Of the new clients in the last year, what % is below the national poverty line?	
	Of the new clients in the last year, what % is in the bottom 50% below the national poverty line?	
	Of the new clients in the last year, what % is earning less than US\$1/day per household member?	
	Of the new clients in the last year, what % is earning less than US\$2/day per household member?	
	If you used another tool/another method, of the new clients in the last year, what % were poor /very poor/low income (include definition used)	
	<b>Other clients</b>	
Process	9. Do you regularly track whether you are reaching your target clients?	(distinguishing for men and women)
Process	10. Do you have indicators related to your social objectives in your MIS?	
Result	11. What is the geographic distribution of your clients (% urban clients, % semi-urban clients, % rural clients)?	
Result	12. Percent of clients from socially marginalized and/or excluded groups?	
Result	13. Percent of women/total clients? Can the MIS produce sex-disaggregated data per region/product/loan amount?	Do you include this information in reports? (GTL question 3, score 1, 2 or 3)

Process	14. Are women clients fulfilling leadership roles or are they encouraged to fulfil those roles?	(GTL question 4, score 1, 2 or 3)
Strategy	15. Do you track changes in the (economic) status of your clients?	
Process	16. How do you track changes in the (economic) status of your clients?	
Result	Percent of clients who crossed the poverty line	
Result	Percent of school-age children (of clients) who attend school	
Strategy	17. Do you regularly seek to understand the ways in which clients use your services?	
Strategy & result	18. Have you conducted client satisfaction surveys or focus groups in the last 2 years? If so, what are the results?	
Strategy & result	19. Do you regularly conduct exit surveys of clients? Do you measure drop-outs?	- do they take gender into account? - what are the main reasons for drop out?
Result	20. Average loan size to GDP	

<b>2.</b>	<b>BEING SOCIALLY RESPONSIBLE (SR)</b>	
	<b>INTENT</b>	
Intent	21. Do you have a written, formal social responsibility policy and/or a written, formal code of conduct?	Does it include a gender perspective? (GTL question 8, score 1, 2 or 3)
Intent	22. Does your social responsibility policy and/or code of conduct address actions of the MFI vis-à-vis its staff, clients, community, the environment?	
	<b>STRATEGY. Do you have a strategy to ensure social responsibility?</b>	
Intent	23. Does your social responsibility policy and/or code of conduct address the following issues:	
	- Gender Justice	
	- Child labour	
	- Environment	
Intent	24. Do you have an exclusion list? Do your procedures say that loans may not be used to finance illegal activities?	
Process	25. How do you implement and ensure effective compliance of your social responsibility policy and/or code of conduct?	

<b>3.</b>	<b>MANAGING SOCIAL PERFORMANCE</b>	
	<b>Organizational culture</b>	
Process	26. Does management use social performance data and (if relevant) results of any gender analyses in strategic planning and decision making? If yes, how?	
	<b>Alignment of organizational systems</b>	
Process	27. Does the Internal Auditor include the audit of social performance measurement in his or her plan?	
Strategy	28. Do you have staff performance incentives?	
Strategy	29. Are there incentives for top management and credit analysts?	
Strategy	30. Do you have staff incentives that specifically address social performance (including gender) objectives? If yes, please explain.	
Process	31. Does the board use Social Performance data when evaluating the management?	
Strategy	32. Do you have a separate staff training module on social performance, and gender equality? For new hires? Ongoing?	
Process	33. Do you have (female) staff with gender expertise working in management or senior positions?	(GTL question 5, score 1, 2 or 3)
Strategy	34. Does the MFI have female staff in management or senior positions? Is there an active policy to recruit women in management positions?	(GTL question 6, score 1, 2 or 3)

Oxfam Novib and Triple Jump have adhered to the client protection principles as drawn up by CGAP. The following questions are distilled from the principles.

4.	<b>CLIENT PROTECTION</b>	
	35. What is your effective interest rate? Which formula do you use and what do you include?	
	36. Have you calculated the total cost of your products and/or product package which you offer to your clients?	
	37. How and what information do you provide to your clients, and at what moment? (before or after purchase)	
	38. Are all prices, terms and conditions conveyed to clients in plain-language fashion and using language that they are likely to understand?	
	39. Do you explain a client's rights and responsibilities before the loan is disbursed?	
	40. Do you have a dispute resolution mechanism or another venue for client complaints? What is provided as part of the grievance procedures? (phone number, manager, etc)	
	41. Do you have systems in place to safeguard the privacy of client files – both in branches and in the MIS?	
	42. Do you have systems in place to prevent the unethical treatment of clients? Examples: <ul style="list-style-type: none"> <li>- Coercing or intimidating clients who are delinquent in their payments</li> <li>- requests for "gifts" to approve loans more quickly, or to approve larger</li> </ul>	
	43. Do you have measures in place to ensure that loans extended to clients will not put the borrower at significant risk of over-indebtedness? Examples: <ul style="list-style-type: none"> <li>- seek information on client household credit history</li> <li>- make a determination of the client capacity to repay</li> <li>- design incentives to avoid irresponsible credit</li> </ul>	

**Oxfam Novib Gender Traffic Light**

The Oxfam Novib Gender Traffic light contains 8 questions which for the most part are also embedded in the social performance questionnaire. You may not need to ask these questions separately.

Each question can be answered with a yes, partly or no. The final score determines whether the MFI is eligible for financing from Oxfam Novib.

Score as follows:	Yes	2
	Partly	1
	No	0
<p>This leads to a total score for an organisation as follows:  <b>≤5 = Red traffic light:</b> the MFI is 'gender-blind' and ON will not fund this organisation.  <b>6≤9 = Yellow traffic light:</b> this MFI runs a risk of not achieving its outcomes. Targets and a time frame should be set to improve gender practices  <b>10-16 = Green traffic light:</b> the MFI is gender sensitive and shows good practice.</p>		

**Questions:**

**1. Does the MFI's Business Plan contain Gender Justice objectives?**

<p><u>Yes:</u> The business plan includes gender objectives  <u>Partly:</u> There are gender objectives but they are not specified in the BP  <u>No:</u> No Gender objectives.</p>
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**2. Has the MFI developed gender specific indicators for its objectives and are they monitored?**

<p><u>Yes:</u> The MFI has coupled gender specific indicators to its objectives and these are monitored.  <u>Partly:</u> The MFI has gender specific objectives but these are not monitored.</p>
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**No:** The MFI does not have gender specific indicators for its activities.

### 3. Do the MFI's (annual) reports contain sex-disaggregated data?

**Yes:** The MFI can report sex-disaggregated data for total clients, as well as per product/region/loan amount, and the reports are used to steer interventions/adapt products if necessary.

**Partly:** Some limited reports are sex-disaggregated, used to a limited extent for management decisions.

**No:** No sex-disaggregated reports.

### 4. Are women clients encouraged to fulfil leadership roles?

**Yes:** Women staff have leading roles in planning and implementation. In the case of group lending, women clients take leadership positions.

**Partly:** Women staff sometimes have leading roles in planning and implementation. In the case of group lending, women clients sometimes take leadership positions.

**No:** Women staff do not have leading roles in planning and implementation. In the case of group lending, women clients do not take leadership positions.

### 5. Does the MFI have sufficient and appropriate gender expertise?

**Yes:** Several of the MFI staff have gender expertise.

**Partly:** The MFI has only has one gender expert in a lower position with little decision-making capacity.

**No:** No gender expertise is present in the MFI.

**Gender expertise** means that staff:

- attended specialised courses in this area or specialised during their studies
- know how to apply gender expertise to their work
- have experience and vision in implementing a GJ approach
- can conduct a gender analysis and detect gender stereotypes
- can take up GJ issues in monitoring and evaluation, and propose interventions.

### 6. Does the MFI have female staff in management or senior positions?

**Yes:** >30%

**Partly:** 15-30%

**No:** <15%

### 7. Does the MFI apply a gender analysis to its work?

**Yes:** The organisation applies a gender analysis to all its programs/projects

**Partly:** The organisation applies a gender analysis only to some activities.

**No:** The organisation does not apply a gender analysis to its work.

A **gender analysis** should look at the specific factors that affect women and prevent them from taking loans, and identify steps to overcome these barriers within the client staff.

Examples:

- Husband asked to sign for loan
- Women more frequently illiterate, cannot fill in complicated application form
- Women have less assets to offer as collateral
- It is more difficult for women to find guarantors with sufficient resources to sign for the loan
- Women often have smaller business as they also have tasks within the household

### 8. Does the organisation have a (good) internal Gender Justice policy?

**Yes:** There is a GJ policy document and it is implemented.

**Partly:** There is a GJ policy document but there is only some or no evidence of its implementation.

**No:** There is no GJ policy document and there are no signs of GJ activities.

The implementation of a **Gender Justice Policy** is visible for example in:

- arrangements for maternity and paternity leave
- flexible working hours
- breast feeding facilities, childcare facilities
- gender budgeting
- seeking the balance in numbers of male and female staff
- clear evidence of gender capacity building throughout the organisation
- mechanisms for claims about (sexual) harassment and violence are in place
- staff trained in GJ issues, their work is informed by a gender analysis
- GJ elements are integrated in task descriptions of program/project staff
- resources and time available to be dedicated to GJ issues.

