

# Putting SPM in practice: Implementation on the ground West Africa

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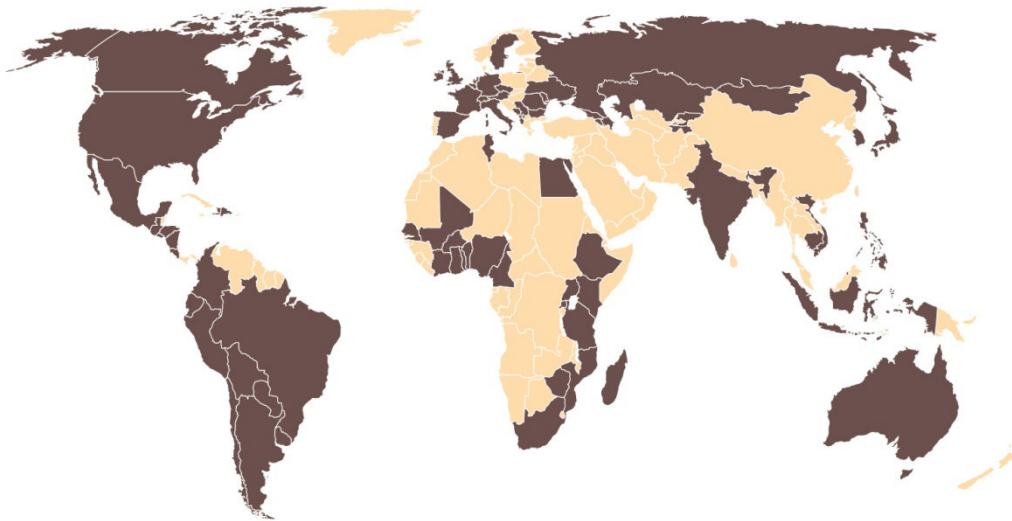
EUROPEAN  
MICROFINANCE WEEK 2013

THE FUTURE OF MICROFINANCE:  
INVESTING IN INCLUSIVE GROWTH

# INTRODUCTION TO OIKOCREDIT



## Oikocredit presence worldwide

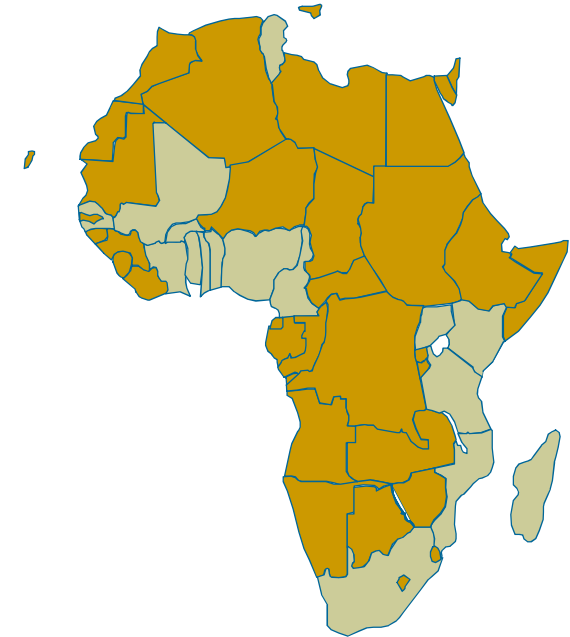


- Funding to 849 partners in 70 countries
  - 8 Regional offices
  - 36 country offices
- Investments in 15 countries

**At 30 September 2013**

€ 567 million outstanding  
81% in Microfinance, other in  
productive sectors

## Oikocredit in Africa (16% of total funding)



- 2 Régional offices
- 8 country offices
- 16 Countries

## Challenge of implementing SPM

- Lot of interest in SPM over past 8 years - training, audit, rating etc, but many still struggle with implementation
- SPM is felt to be over-whelming; managers struggle to prioritise, or get bogged-down in details
- Many organisations lack internal capacity to take steps needed to integrate SPM into their operations
- There is a lack of capacity in many microfinance markets to support SPM; and much of what is available is of low quality.

## Social Performance Mentoring Programme

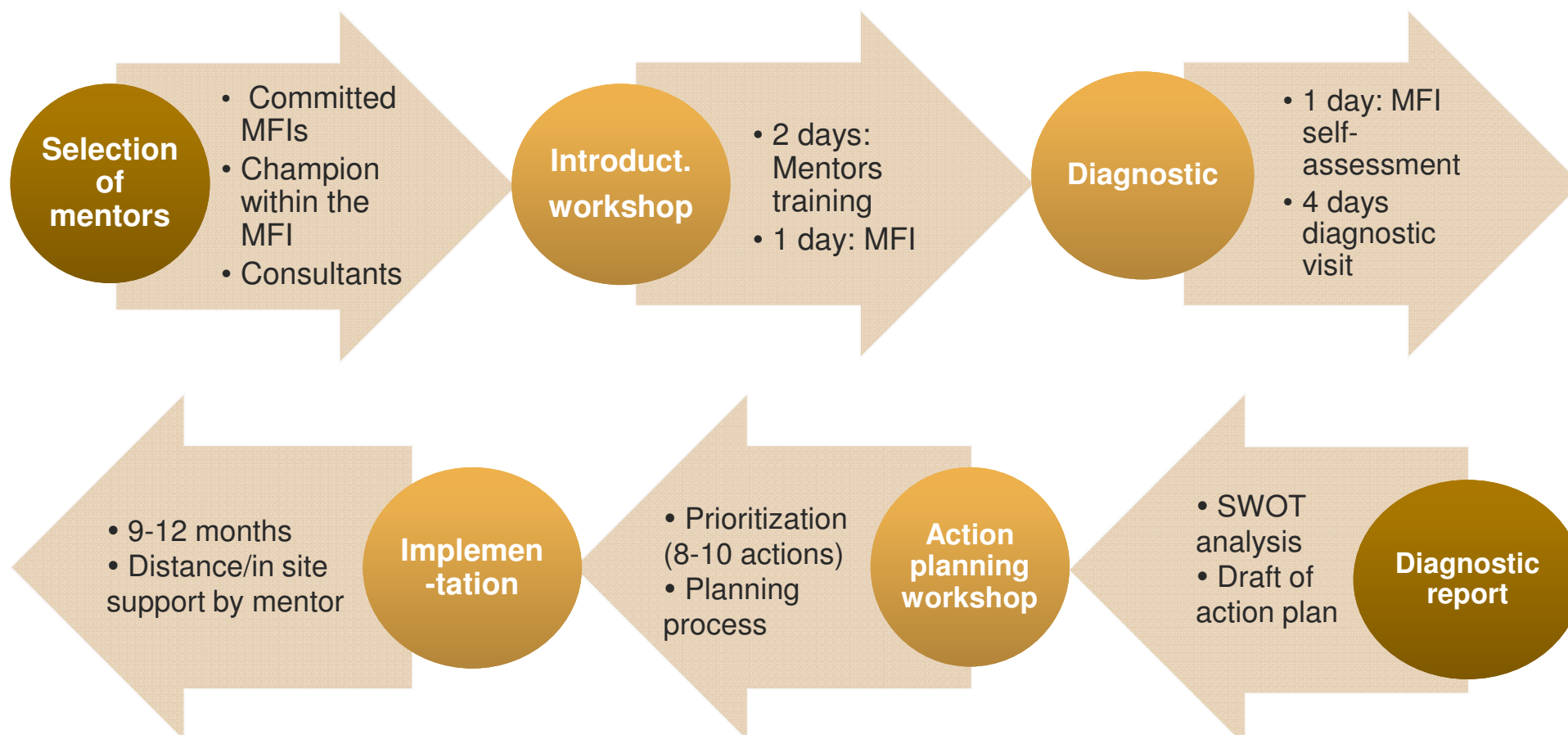
Responding to these challenges...train local mentors to support MFI partners :

- to identify and implement 'quick wins' in SPM (relatively simple to implement and tangible benefits for clients and MFI),
- through a short period of intervention (up to 12 months),
- to build understanding and commitment in Board, management and staff.

## Experience of mentoring programme

- 10 MFIs in East Africa – 2011/12 & 2012/13 (range of organisations – 900 to 20,000 clients; SACCOS to banks) Uganda Tanzania
- 6 MFIs in West Africa 2012-2013: Senegal (in Collaboration with Terrafina), Togo
  - ⇒ small and medium size: 5000-87000 clients
- Expanded to Cambodia, Philippines, Peru, Paraguay: in collaboration with CERISE

## OVERVIEW OF THE PROCESS:



## Role of mentors and TA

- External Mentors: consultants
  - Facilitation of the process
  - Distance/on site support: technical input
  - Coaching
- Internal mentors: **Champion**
  - Facilitation of implementation
- Oikocredit/Terrafina/Cerise
  - Training/Guidance to Mentors
  - Monitoring of the process

## Quick-wins relate to goals

**Financial inclusion:** the ability of the MFI to reach its target clients and ensure that potential clients are not excluded;

**Client protection:** how products and services are designed, delivered and managed to ensure that clients are not harmed in line with the Client Protection Principles;

**Creating benefits for clients:** how products and services are designed, delivered and managed to respond to the needs of clients to...

- Generate income
- Reduce risk and cope with emergencies
- Manage their anticipated day to day and life cycle financial needs
- Other social goals: empowerment, etc.



## Implementation on the ground

### ■ Example: MEC Delta Senegal

- Integration in the global action plan of the MFI
- Financial education to 720 clients (out of 3011)
  - Saving outstanding: 35%
  - Saving account: 22%
- Factor of success:
  - The champion is from the management team
  - An SPM committee was created and made of Board mb., staff
  - Training of trainers on financial education:
    - ☞ *Champion* → 12 (6 BoD mb + 6 volunteers from the Community)
    - 720 clients from 3 branches ←
    - (out of 6)

## Implementation on the Ground: Benefits for Clients and MFI

- Example of U-IMCEC Senegal
  - Definition of acceptable and non acceptable practices for the staff
    - Stop visiting default clients for loan recovery in the night
  - Factor of success:
    - The Top management very committed to SPM
    - Revision of the credit management
    - Elaboration of a code of ethics
- Example East Africa with Ugafude

# Thank you for your attention!