



**EUROPEAN  
MICROFINANCE WEEK 2015**

**FINANCIAL INCLUSION FOR SUSTAINABLE DEVELOPMENT**

**ACAD SPM**

**Actions and implementations**

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### ACADF Background

- ACAD: The Arab Center for Agricultural Development was established in 1988 as a project aimed at building the economic capacities of small farmers, who were facing risks of collapsing during the Palestinian First Intifada, through in-kind financing.
- In 1993, this project was institutionalized as a center specialized in financing small Agricultural enterprises.
- In 2003, ACAD expanded to the rural financing in addition to diversification sectors. The support services were expanded to include infrastructure, water, baseline organizations and cooperative societies in the marginalized rural areas.
- In 2014, ACAD Finance (ACADF) Company has been founded by ACAD NGO, Several highly reputable international investors joined ACAD NGO as shareholders with \$5.35 Millions equity. ACADF shareholders are:
  - International Solidarity for Development and Investment (SIDI).
  - European Investment Bank (EIB).
  - Grameen Credit Agricole Foundation (GCAF).
  - Triple Jump (TJ).



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## Implementation Monitoring

- A SPM Officer in the Operations department was appointed to be responsible for monitoring the workflow of all the activities of the action plan, and ensuring that all action are done on time.
- An experienced qualified board member was selected to supervise the overall social performance workflow.
- A management committee is consisted of C.E.O, C.F.M, C.O.M, SPM Officer, and CEO Assistant was created to supervise and follow up the social performance implementation.
- The internal auditor was delegated by the board to have authority to audit the implementation of the social performance.



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## Social Action Plan – Operations Dep.

### ■ For USSPM 1 – Define and Monitoring Social Goals:

Actions to be Done	Action
Keep training new and existing staff on SPM	ACAD existing staff were trained on Mar-2015. Six new staff who were hired during the last three months will be trained on Dec-2015.
Start measuring social indicators through submission of new forms	Final version of applications forms that contains social indicators will be used in the Operations on the first of Jan-2016.
Finalize the MIS system and the social reporting	The MIS system is finalized. Missing data of the old loans will be refilled in the MIS by Mar-2016.
Implement the social reporting tool periodically	Final design of the Social Dashboard which used to produce the periodic report will be finalized by Nov-2015



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## Social Action Plan – Operations Dep.

### ■ For USSPM 3 – Design Products that Meet Clients' Needs:

Actions to be Done	Actions
Form new loan product especially for (farmers).	The board recommended to offer a new product in local currency in 2016.
Increase decentralization and authority of branch managers in support with executive committee	Operations manual was approved and distributed to manager. It delegates specific authorities for them. A pilot test on one branch will be applied in the first quarter of 2016.
Design a client satisfaction survey	Under processing, the survey will be carried out by Jun-2016 for 2015 clients.
Monitor retention rate.	Retention rate is monitored by the management committee on a monthly basis.
Design a client exit survey.	Under processing, the survey will be carried out by Jun-2016 for 2015 clients.



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## Social Action Plan – Operations Dep.

### ■ For USSPM 4 – Treat Clients Responsibly:

Actions to be Done	Actions
Upgrade the application form to improve the assessment of client repayment capacity.	Done.
Insure avoiding the over-indebtedness – calculating the TDI.	Done.
Include all costs including fees in the repayment schedule.	Done, (for technical issues the client receives a repayment schedule separately from an approval letter which contains all loan costs such as interests, fees, and other charges...).
Upgrade the bad debt recovery procedures.	Done. It is included in the Operations manual.
Design a mechanism to collect and treat clients complaints.	Complaint boxes is bided to be placed in the branches by the end of the year. These boxes will be under the supervision of the internal auditor.
Calculate the Effective Interest Rate and include it in the reports.	Done manually



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## Social Action Plan – HR Dep.

### ■ For USSPM 2 – Commitment to Social Goals:

Actions to be Done	Actions
Identify and draft HR procedures, and ensure that each employee knows the drafted CoE	CoE was translated to Arabic, all staff will sign it to ensure their knowledge of it before the first of Jan-2016
Include the CoE in the training courses and in the orientation of the new employees, in later stages in employees appraisals	Six new staff will be trained on the CoE during Dec-2015.
Include SPM in training programmes.	All training sessions are including the SPM training sections.



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## Social Action Plan – HR Dep.

### ■ For USSPM 5 – Treat Employees Responsibly:

Actions to be Done	Actions
Adapt a clear procedures for employees evaluation	Done for 2015 evaluation.
Draft a staff satisfaction survey	Not yet, will be done during 2016.
Improve internal communication between employees and managers	Committees at different management levels were created and meet periodically.





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## Social Action Plan – Internal Auditor

### ■ For USSPM 4 – Treat Clients Responsibly:

Actions to be Done	Actions
Integrate the SPM and CP principles into the audit functions	SPM was integrated into the audit manual. The board decided that the implementation of SPM will be audited by the internal audit department. The audit plan for 2016 includes integrating the SPM implementation in the audit report.



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# Thank You