1. **What is the Responsible Microfinance Facility (RMF)?**

The Responsible Microfinance Facility (RMF) is a project funded by the Agence Française de Développement and managed by the Social Performance Task Force, in collaboration with the Smart Campaign. The purpose of the RMF is to strengthen the social performance management (SPM) practices, including client protection practices, of financial institutions in sub-Saharan African (SSA) and the Middle East and North African (MENA).

RMF is scheduled to operate for three years, from January 2015 - December 2017.

The Agence Française de Développement (AFD) has identified eight target countries where the Responsible Microfinance Facility (RMF) will focus its work:

1. Benin
2. Burkina Faso
3. Ghana
4. Madagascar
5. Mali
6. Niger
7. Senegal
8. Togo

A minimum of 50% of the total project budget must be allocated to activities taking place in priority AFD countries. Additionally, AFD and SPTF have agreed that the RMF may also work in Cameroon, Ethiopia, Jordan, Kenya, Morocco, and Uganda. Other countries in SSA and MENA may express their interest in participating in RMF activities, but these will have to write to the RMF individually (email: RMF@sptf.info), and will be considered on a case-by-case basis.

The RMF will offer trainings, co-finance activities of financial institutions, support research, and develop new resources such as tools for financial institutions. More details below:

- **Trainings.** The RMF will offer the following trainings: 1. introductory training on responsible inclusive finance, focusing on the Universal Standards for SPM and the SPI4; 2. training to become an accredited Smart assessors; 3. training SPI4 auditors; 4. training technical assistance (TA) providers on client protection; 5. training TA providers on all other elements of SPM.

- **Co-financing.** The RMF will reimburse financial institutions up to 50% of the cost of any of the following activities: 1. accompanied SPI4 social audit plus additional support to related to improving practice; 2. Smart assessment; 3. an upgrade project chosen by the financial institution; 4. specialized training for the financial institution on an aspect of SPM of its choosing (can be Client Protection); 5. Smart certification and/or social rating.

- **Research.** The RMF is funding research on two topics: 1. Update of the Microfinance Index of Market Outreach and Saturation (MIMOSA); 2. Integration of social performance and digital financial services.

- **New resources.** 1. Improve and expand the existing SPTF database of TA providers; 2. Develop new resources, such as case studies or tools, based on demand from the field.

To learn more about the RMF, go to the RMF page on the SPTF website: [http://sptf.info/sp-task-force/responsible-microfinance-facility](http://sptf.info/sp-task-force/responsible-microfinance-facility).

**2. Who is managing the RMF and how do I contact them?**

The Social Performance Task Force (SPTF) is managing the RMF. Smart Campaign and CERISE are collaborating closely with SPTF to manage the areas of RMF work related to client protection and the SPI4 audit tool, respectively. Governance of the RMF is provided by a steering committee, whose members represent several responsible inclusive finance initiatives.
3. What is the Smart Campaign and how is it working with the RMF?
The Smart Campaign, a nonprofit initiative based in Washington, DC, works around the world to provide MFIs with the tools and resources they need to deliver transparent, respectful, and prudent financial services to all clients. The Campaign works at multiple levels: raising awareness and commitment, shaping norms and standards in the form of the 7 Client Protection Principles (CPPs), creating and mobilizing resources to assist in implementation of the CPPs and, most recently, developing means to certify good performance of financial institutions with the Smart Certification program. Since the Smart Campaign launched in late 2009, it has garnered over 4,300 endorser of the CPPs from 139 countries who together reach an estimated 79 million clients, and 28 MFIs as of December 2014 have achieved Smart Certification. When financial institutions implement the CPPs into their operations, they build strong, lasting relationships with clients, increase client retention, and reduce financial risk. Similarly, by incorporating the CPPs into their investment criteria and due diligence, microfinance investors can build a healthier, more client-focused industry that will foster a stronger portfolio and ensure healthy returns.

The Smart Campaign is a key partner of the Responsible Microfinance Facility (RMF). The Director of the Smart Campaign sits on the steering committee of the RMF. Smart Campaign’s project leader for Africa Partnerships and Programs is a member of the small team that runs the RMF’s daily operations, and she oversees the implementation of all client protection related trainings and co-financed activities funded by the RMF. Smart Campaign’s Channels and Technology team is managing a research project funded by the RMF that explores how to integrate client protection into digital financial services.

To learn more about the Smart Campaign, go to http://www.smartcampaign.org/.

To contact someone at the Smart Campaign, email comments@smartcampaign.org. To ensure a faster response, please put “RMF” in the subject line of your email.

4. What is the CERISE SPI4 social audit tool and how is CERISE working with the RMF?
The SPI4 social audit tool is a free assessment tool that financial institutions can use to understand their level of implementation of social performance management practices. The SPI4 is fully aligned to the Universal Standards for SPM, including the Smart Campaign Client Protection Principles, and also offers optional modules with additional indicators for users with a specific mission focus in the following four areas: green microfinance, poverty, rural, and gender.

CERISE is a key partner of the Responsible Microfinance Facility (RMF). The Executive Director of CERISE sits on the steering committee of the RMF. The CERISE team is also integrally involved in the development, implementation, and documenting of lessons learned for all RMF trainings and co-financed activities related to the SPI4.
To learn more about CERISE and the SPI4 social audit tool, go to http://cerise-spi4.squarespace.com

To contact CERISE, please email spi4@cerise-microfinance.org.

5. **What types of training are offered by the RMF?**
The RMF is planning to offer five different types of trainings:

1) **Responsible Inclusive Finance (RIF) Introductory Training.** The Responsible Inclusive Finance Introductory Training is a three-day, introductory level training course that will introduce participants to social performance management (SPM). The first day will be devoted to defining SPM and discussing why it is important to financial service providers (FSPs) and how strong SPM can help FSPs achieve both their financial and social goals. The second day introduces the Universal Standards for Social Performance Management ("Universal Standards"), a comprehensive manual of best practices created by and for people in microfinance as a resource to help financial institutions achieve their social goals. The Universal Standards incorporate all of the Smart Campaign client protection certification standards, while also including best practices in other areas of SPM. The third day of the training introduces the SPI4 social audit tool, a social performance assessment tool that is fully aligned with the Universal Standards that helps users to assess and improve their practices. The training curriculum integrates lecture, case study examples, interactive group exercises, and discussion.

2) **Training Smart assessors.** The training prepares participants to carry out the Campaign's in-depth client protection assessments with financial institutions. It is the required first step to become an Accredited Smart Campaign Assessor. Accredited assessors not only have access to The Smart Campaign's tools and resources and join an international network of assessors, but also receive unique permission to implement Client Protection Assessments. Assessors play a crucial role in bringing Client Protection Principles (CPPs) into MFIs around the world, as they conduct institutional evaluations using the framework of the CPPs and the assessment methodology developed by The Smart Campaign. The training will include experiential learning: role playing, practice interviews, and tips from experienced assessors. The training simulates the process of carrying out an assessment, while preparing participants to perform the interviews and analysis on their own. Becoming a Smart Certified Assessor adds value to both a participant’s skill set as well as his/her organization. For networks and associations, having a Smart Certified Assessor creates a potential revenue stream by offering consumer protection assessments as a paid service available to interested member financial institutions. The key subjects covered are the 7 CPPs and how to conduct and Assessment. Other topics include the Campaign’s background, the business case for client protection, Campaign tools and resources, upgrading projects, and preparing for Certification.

3) **Training SPI4 auditors.** The SPI4 social audit tool is fully aligned to the Universal Standards for SPM. It is free, in order to promote widespread use of the tool and social performance assessment. But to ensure high quality results, CERISE strongly
encourages SPI4 users to get trained on how to use the tool efficiently. Training is a two phase process: 1) theoretical training (two days) and 2) practical application of the SPI4, with results validation by CERISE. The SPI4 Auditor Training funded by the RMF is phase one of this process - the two-day theoretical training. Training participants will get familiar with the SPI4 tool through a series of case studies. The training also covers how to use results, define priorities, draft an action plan, and support implementation through a mentoring process. After the training, participants are expected to complete and submit a SPI4 using fictitious data provided to them by CERISE.

4) **Training technical assistance (TA) providers on client protection.** This two-day training is designed to build the expertise of TA providers in relation to their work strengthening the client protection practices of financial institutions. During this workshop, TA providers will learn about the 7 Client Protection Principles (CPPs), assessments, putting the principles into practice, and creating a “client protection upgrading” proposal. TA providers will also learn about and practice using the Smart Campaign’s client protection tools and resources. Finally, this training is an opportunity for TA Providers to learn about how to become a Smart Campaign approved TA Provider. Other specific area of client protection to be covered in the training will depend on demand. The course is not introductory, but intended to build on participants’ previous experience with SPM and strengthen their abilities as a TA provider. The training curriculum integrates lecture, Campaign tools practice, case studies, interactive exercises, and group discussion.

5) **Training TA providers on all other elements of SPM.** The training of technical assistance (TA) providers on specific areas of social performance management is designed to explore in depth one specific area of SPM, with the goal of building expertise of TA providers in this area. The course is not introductory, but intended to build on participants’ previous experience with SPM and to strengthen their abilities as a technical assistance provider. The specific area of SPM to be covered in the training will depend on demand. The training curriculum integrates lecture, case study examples, interactive group exercises, and discussion. Typically, this kind of training lasts two days, but certain trainings may last one or three days instead, depending on the topic(s) to be covered.

The RMF is not able to schedule trainings in advance of reviewing the applications, as which trainings are offered, and when, and where, will all depend on demand. Once a training is confirmed, however, details will be posted to the RMF page of the SPTF website: http://sptf.info/sp-task-force/responsible-microfinance-facility.

6. **How do I apply to attend a training offered by the RMF?**
Please go to the RMF website to download the application form for the training that interests you: http://sptf.info/sp-task-force/responsible-microfinance-facility.

7. **How will I know when and where the next training will be?**
The RMF is not able to schedule trainings in advance of reviewing the applications, as which trainings are offered, and when, and where, will all depend on demand. Once a training is confirmed, however, details will be posted to the RMF page of the SPTF website: http://sptf.info/sp-task-force/responsible-microfinance-facility.

8. What types of activities can be co-financed by the RMF?
RMF offers co-financing for five different types of activities:

1) **Accompanied SPI4 social audit plus.** The SPI4 Social Audit Plus involves a SPI4 audit plus a customized activity. For example:
   a. **SPI4 audit + post-assessment mentoring.** The financial institution conducts a SPI4 with a qualified SPI4 auditor. As with any accompanied SPI4 audit, the auditor works with management immediately following the assessment to prioritize areas for improvement and develop an action plan. The SPI4 auditor then works with the financial institution to facilitate implementation (build commitment, provide guidance, identify resources, one-on-one coaching, etc.), dedicating a certain number of days per month up to a period of 2 to 6 months.
   b. **Pre-training + SPI4 audit.** For financial institutions that are new to SPM, a qualified SPI4 auditor organizes an awareness-raising workshop on SPM first, and then conducts the SPI4 audit.
   c. **Participatory SPI4 audit.** For large financial institutions, a qualified SPI4 auditor dedicates a longer time to the SPI4 audit process, in order to include a wider range of stakeholders (staff at HQ, Board members, but also branch staff, clients, other external partners).

2) **Smart assessment.** A Smart Assessment is a diagnostic assessment of how well your institution is implementing the client protection principles, conducted by a two-person team of assessors external to your institution. The assessment takes your institution through a process of internal review to identify strengths, weaknesses, and ultimately opportunities to enhance its client protection practices. The assessors do some of the work off-site, and some of the work on-site at your institution, and work closely with the leadership of your institution to explain their findings and discuss their recommendations with you. To learn more about client protection assessments, including Smart Assessments, please read download A Guide to Client Protection Assessments, here: http://smartcampaign.org/tools-a-resources/948-a-guide-to-client-protection-assessments.

3) **Upgrade project.** An upgrade project is a project designed and managed by a financial institution in order to improve its social performance practices. An upgrading project can also be a crucial step for addressing remaining gaps before passing a Smart Certification or to achieve a higher social rating. Before an institution is ready for an upgrade project, it must do an assessment, either an SPI4 or a client protection assessment, of its current state of practice. This helps to identify strengths and weaknesses. After the assessment, the institution analyzes the results and prioritizes areas for improvement. It then develops an action plan for implementing improvements. Once the action plan is created, the institution is ready to implement changes. The implementation of the action plan to address
priority gap areas is the upgrade project. No two upgrade projects are the same, because the actions taken during an upgrade process vary according to the need of the institution. The upgrade activities should, however, be designed to improve performance on some or all of the poorly scored indicators of the SPI4 or client protection assessment. The following are examples of common actions taken during upgrade projects: developing and putting in place a client complaints system, providing additional social performance training to employees, surveying clients, developing new product delivery mechanisms, and investing in new infrastructure such as buying a new management information system.

4) **Specialized training for the financial institution on an aspect of SPM of its choosing.** This is a training that will be offered at your institution or in a nearby training facility, according to your preference. Your institution will select which of its employees may attend, and you may also wish to invite members of your board of directors. Please note that RMF recommends a maximum of 20 people in the room, to allow for in-depth interaction and discussion among all training participants. The subject of the training will be selected by your institution, according to your institution’s priorities, as well as your assessment of the areas of social performance management in which your institution’s practices are not as strong as you would like them to be.

5) **Smart certification and/or social rating.** [NB: RMF allows applicants to choose to apply only for a Smart Certification, only for a social rating, or both. RMF encourages you to read the descriptions of Smart Certification and social ratings below, to help inform your decision. Please note that, because most of the groundwork required to assess a financial institution’s client protection practices is done during a rating, it is substantially cheaper to obtain Smart Certification as an add-on module to a social rating, rather than for your institution to do Smart Certification and a social rating at two separate times.] A Smart certification is an independent, third-party evaluation to publicly recognize financial institutions that meet adequate standards of care to implement all of the Client Protection Principles throughout their operations, product offerings, and treatment of clients. The Certification program was developed through several years of industry collaboration and input, managed by the Smart Campaign. To be certified, a financial institution needs to comply with the indicators corresponding to the 30 adequate standards of care for client protection. A financial institution will be evaluated through a streamlined desk review and on-site due diligence process that will include staff and client interviews and feedback. Financial institutions will be asked to share key documents with the Certification team. Fieldwork will be scheduled only if the financial institution has submitted all the required information and is responsive to the certifiers’ questions. Social ratings are conducted by a specialized rating agency and provide an objective opinion of a financial service provider’s degree of success in translating its mission into practice. To reach that opinion, raters analyze the institution’s country context, social performance management, client protection, depth of outreach, quality of services, and outcomes. Social ratings are carried out by rating agency analysts who have social performance experience and skills. A team of two analysts conduct the rating visit to the institution. Documents are collected from the institution in
advance. In the field, the team conducts interviews with board members, senior and middle managers at the head office, and branch managers, field staff, and some client at selected branches. The audiences for social ratings are external. The rater does not provide recommendations for improving practice, but reviews documents and assigns a rating based on its findings. One important use for Social Ratings is to verify data that were self-reported to MIX Market. A good rating may also attract interest from investors and donors.

9. What amount of co-financing does the RMF offer? How does the RMF disburse the co-financing?
For each co-financed activity, the financial institution is responsible for 50% of the cost and the RMF will co-finance the remaining 50%. The institution’s share of co-financing may be contributed in-kind rather than by spending money (e.g., using its own venue for training will count as paying for training venue rental; dedicating staff time to the process, using each person’s salary as a basis to assign a daily rate for his/her time).

The RMF will not disburse the co-financing grant to an institution on the date when its application is approved. Instead, it will wait until the institution begins paying for, or using in-kind contribution to implement, its 50% share of the cost. This is to avoid problems that might occur if the RMF contributes 50% but the financial institution is ultimately not able to contribute its 50% share of the cost. Additionally, **RMF will pay third-party vendors directly.** This means that a portion, or all, of the co-financing may be paid directly to a third party instead of deposited in the account of the institution. In cases where it is not possible for the RMF to pay third-party vendors directly, the institution may pay those vendors directly and then submit receipts to the RMF for reimbursement.

10. How do I apply for co-financing from the RMF?
Please go to the RMF website to download the application form for the co-financed activity that interests you: http://sptf.info/sp-task-force/responsible-microfinance-facility.

11. How do I know if my application to attend a training or receive co-financing has been approved? What are the selection criteria?
RMF will reply to you upon receipt of your application, to confirm that we have received it. The RMF steering committee meets approximately quarterly to review applications, throughout the three-year duration of RMF operations. Therefore, you will receive notice of whether your application was approved no later than three or four months after the date when you submitted it, depending on your date of submission and the next date when the RMF steering committee is able to review your application.

RMF will consider a number of factors when deciding which applications to approve, including how well the applicant can explain his/her interest in the activity, and specifically how this activity will contribute to improved SPM practice in the market(s) where s/he works. For trainings, RMF will also consider how many people it can reach per training, and will be more likely to fund a training demanded by many than one where only a few participants are likely. For activities to be co-financed, an important area of consideration...
The SPI4 Social Audit Plus involves a SPI4 audit plus a customized activity. For example:

a. **SPI4 audit + post-assessment mentoring.** The financial institution conducts a SPI4 with a qualified SPI4 auditor. As with any accompanied SPI4 audit, the auditor works with management immediately following the assessment to prioritize areas for improvement and develop an action plan. The SPI4 auditor then works with the financial institution to facilitate implementation (build commitment, provide guidance, identify resources, one-on-one coaching, etc.), dedicating a certain number of days per month up to a period of 2 to 6 months.

b. **Pre-training + SPI4 audit.** For financial institutions that are new to SPM, a qualified SPI4 auditor organizes an awareness-raising workshop on SPM first, and then conducts the SPI4 audit.

c. **Participatory SPI4 audit.** For large financial institutions, a qualified SPI4 auditor dedicates a longer time to the SPI4 audit process, in order to include a wider range of stakeholders (staff at HQ, Board members, but also branch staff, clients, other external partners).

**13. What is an upgrade project?**

An upgrade project is a project designed and managed by a financial institution in order to improve its social performance practices. An upgrading project can also be a crucial step for addressing remaining gaps before passing a Smart Certification or to achieve a higher social rating. Before an institution is ready for an upgrade project, it must do an assessment, either an SPI4 or a client protection assessment, of its current state of practice. This helps to identify strengths and weaknesses. After the assessment, the institution analyzes the results and prioritizes areas for improvement. It then develops an action plan for implementing improvements. Once the action plan is created, the institution is ready to implement changes. The implementation of the action plan to address priority gap areas is the upgrade project. No two upgrade projects are the same, because the actions taken during an upgrade process vary according to the need of the institution. The upgrade activities should, however, be designed to improve performance on some or all of the poorly scored indicators of the SPI4 or client protection assessment. The following are examples of common actions taken during upgrade projects: developing and putting in place a client complaints system, providing additional social performance training to
employees, surveying clients, developing new product delivery mechanisms, and investing in new infrastructure such as buying a new management information system.

14. What is a specialized SPM training for a financial service provider?
This is a training that will be offered at your institution or in a nearby training facility, according to your preference. Your institution will select which of its employees may attend, and you may also wish to invite members of your board of directors. Please note that RMF recommends a maximum of 25 people in the room, to allow for in-depth interaction and discussion among all training participants. The subject of the training will be selected by your institution, according to your institution’s priorities, as well as your assessment of the areas of social performance management in which your institution’s practices are not as strong as you would like them to be.

15. What is a Smart Assessment?
A Client Protection Assessment is a confidential diagnostic tool that a financial institution (FI) can use to thoroughly examine its implementation of the seven Client Protection Principles. It takes the FI through a process of internal review to identify strengths, weaknesses, and ultimately opportunities to enhance its client protection practices. An Assessment can benefit your institution by evaluating how well you are meeting standards of client protection, by setting a starting point for strengthening your practices, by minimizing your risks and improving your profits, and by preparing you for a Client Protection Certification. For more information, we recommend checking out A Guide to Client Protection Assessments.

16. What is a Smart certification?
Certification is an independent, third-party evaluation to publicly recognize financial institutions that meet adequate standards of care in how they treat clients. Certification enables financial institutions to demonstrate adherence to the microfinance industry’s Client Protection Principles. Certification aspires to set a common standard for how client protection is measured industry-wide. It is the verification that a company complies with a set of norms, at a given point in time. These norms are defined by standards-setting bodies (for example, the International Organization for Standardization, which defines all “ISO” standards). These bodies can either be regulators, or industry associations wishing to provide a tool for the self-regulation of their sector. The standards-setting body delivers licenses to certifiers that will check an entity’s level of compliance with standards. In microfinance, the Smart Campaign has so far played the role of a global standard-setting body in the area of Client Protection through gathering experts, proposing draft standards and collating comments from a wide range of stakeholders. For more information we suggest reviewing http://smartcampaign.org/certification and http://smartcampaign.org/certification/certification-frequently-asked-questions-faq

17. What is a social rating?
Social ratings are conducted by a specialized rating agency and provide an objective opinion of a financial service provider's degree of success in translating its mission into practice. To reach that opinion, raters analyze the institution’s country context, social performance management, client protection, depth of outreach, quality of services, and outcomes. A social rating is a valuable tool for a financial institution, as it identifies whether the institution has the systems in place to achieve its social mission as well as benchmarks the institution’s performance within the sector.

For more information, please download the rating guide here: http://sptf.info/sp-tools/rating-tools

**18. What TA providers may I work with on projects co-financed by the RMF, and how do I contact them?**

Each institution may choose the technical assistance (TA) providers with whom it works on projects co-financed by the RMF, subject to the approval of the RMF.

For information about some possible candidates, see the SPTF TA database website (http://sptf.info/resources/ta-providers). The SPTF database provides information on TA providers’ experience and skills, as well as contact information for references, but SPTF does not contact references, nor does SPTF comment on the relative strengths and weaknesses of one provider versus another. It is the responsibility of each institution to vet references, interview candidates, and select the person(s) best suited to your institution’s needs.

For a list of qualified SPI4 auditors, you may also email CERISE: spi4@cerise-microfinance.org. [NB: These TA providers will also be listed in the SPTF database, but will be listed among all the other TA providers, so it might be easier for you to identify them by going directly to CERISE's database.]

For a list of accredited Smart assessors, go to the Smart Campaign website:
- Lead Assessors: http://smartcampaign.org/certification/2-assess/lead-assessors
- Support Assessors: http://smartcampaign.org/certification/2-assess/support-assessors

For an updated list of Smart Campaign approved TA Providers please contact The Smart Campaign at comments@smartcampaign.org.

**19. How do I become a Smart Campaign accredited assessor or Smart Campaign approved TA Provider?**

To become a Smart Campaign accredited assessor, you must first participate in a Smart Assessor training such that you can become an “support assessor-in-training.” After this you may participate in Smart Assessments and observe and support the assessment process under the supervision of a Lead Assessor. After the assessment is completed, the
Lead Assessor will complete an evaluation of the Support Assessor in training and determine whether he/she can be accredited to become a Support Assessor. While some Support Assessors have chosen to remain Support Assessors, others may want to become Lead Assessors. Lead Assessors require more experience and so if a Support Assessor wants to become a Lead Assessor, he/she should apply to the Smart Campaign and send his/her CV and a writing sample to: comments@smartcampaign.org. The Smart Campaign will evaluate the writing skills and experience of the Support Assessor and determine whether the Support Assessor is ready. Additionally, following Campaign review of this material and approval, the lead assessor- in training must join an evaluation where they will again be reviewed by another Lead Assessor on the evaluation to determine if they can be accredited as Lead Assessor.

To become an approved TA Provider, an individual must go through several steps that requires TA providers to demonstrate knowledge, skills and capacity to provide high impact TA to financial service providers. This process costs nothing. Individuals must send a letter of expression of interest with your CV & references form which describes services rendered from the last five years that are relevant to client protection-focused TA. If your application is accepted, we will contact you to demonstrate competencies via an oral and written assignment. The TA provider and Smart Campaign will negotiate a timeline for completing the assignment at this time. The Campaign will review this assignment and let you know if you have been approved or not. The final step is simply to sign a code of conduct. For organizations which want to approve more than one individual, approval is nominative. This means that individuals inside the organizations are approved, not the whole organization. If an approved individual leaves the organization, s/he must re-apply for approval from the Smart Campaign as an individual.

20. How do I become a qualified SPI4 auditor?
Click here to download document that explains the SPI4 auditor qualification process: https://cerise-spi4.squarespace.com/#/get-trained/