



Women's World Banking  
2011 Progress Report  
Initiatives, Accomplishments and Impact



## TABLE OF CONTENTS

<b>INTRODUCTION .....</b>	<b>1</b>
THE STATE OF THE NETWORK.....	2
KEY SUCCESSES 2011.....	3
RESULTS AGAINST THE STRATEGIC PLAN.....	4
<b>OBJECTIVE 1- IDENTIFY WOMEN’S FINANCIAL NEEDS, PRODUCTS AND SERVICES.....</b>	<b>4</b>
MEASURES OF SUCCESS .....	7
<b>OBJECTIVE 2- INCUBATE INNOVATIVE PRODUCTS AND SERVICES .....</b>	<b>7</b>
INDIVIDUAL LENDING.....	7
RURAL FINANCE .....	8
ADULT SAVINGS .....	8
YOUTH SAVINGS .....	9
SAVINGS AND REMITTANCES .....	11
HEALTH MICROINSURANCE .....	11
FINANCIAL EDUCATION AND SOCIAL COMMUNICATIONS .....	12
MEASURES OF SUCCESS .....	13
<b>OBJECTIVE 3- CODIFY AND DISSEMINATE KNOWLEDGE TO FINANCIAL INSTITUTIONS .....</b>	<b>13</b>
PUBLICATIONS AND ONLINE RESOURCES.....	14
CONFERENCES AND FORUMS .....	15
LEADERSHIP TRAINING .....	16
PERFORMANCE OPTIMIZATION TOOLKITS AND TRAINING.....	18
MEASURES OF SUCCESS .....	19
<b>OBJECTIVE 4- SCALE BY ROLLING OUT TESTED INNOVATIONS AND BY STRENGTHENING CAPABILITIES THAT ENABLE WOMEN-FOCUSED INNOVATION.....</b>	<b>20</b>
MEASURES OF SUCCESS .....	21
<b>OBJECTIVE 5- PROVE THE BUSINESS CASE FOR WOMEN .....</b>	<b>21</b>
INDUSTRY INITIATIVES.....	22
MEASURES OF SUCCESS .....	23
<b>ORGANIZATIONAL ENABLERS .....</b>	<b>23</b>
BUILD STRONG PARTNERSHIPS.....	23
GROW AND DIVERSIFY REVENUE BASE.....	24
ENSURE ORGANIZATIONAL EXCELLENCE .....	25
ISIS FUND AND WWB HOLDING COMPANY.....	25
<b>CONCLUSION .....</b>	<b>26</b>
<b>ANNEXES</b>	
1. 2011 TARGETS AND RESULTS	
2. AFFILIATE PERFORMANCE UPDATE 2011	
3. WWB MARKET RESEARCH CATALOG	
4. GENDER DIVERSITY PUBLICATION	
5. WWB NETWORK MEMBER PLEDGE	
6. GENDER PERFORMANCE INITIATIVE – FRAMEWORK AND INDICATORS	
7. SPTF GENDER WORKING GROUP POSITION PAPER	
8. WWB FUNDING PARTNERS AND SUPPORTERS 2011	

## WWB 2011 Progress Report

### Introduction

This report will:

- Present WWB's 2011-2013 Strategic Plan
- Highlight Key Successes of 2011
- Provide an outline of WWB's work throughout 2011, noting both progress and challenges in achieving the five objectives of the 2011-2013 Strategic Plan

### WWB's 2011-2013 Strategic Plan

As 2011 marks the beginning of a new Strategic Plan it is important to note both the external and internal factors that gave rise to the new Strategy and how WWB envisions its own success over the next two years.

Over the past five years, the microfinance sector has undergone significant growth<sup>1</sup> and commercialization. As a result, the role of MFIs in serving the financial needs of men and women, and their capacity to do so, has become increasingly complex. WWB developed the 2011-2013 Strategic Plan in order to address: (i) the significant increase in investment in the sector; (ii) the increasingly sophisticated nature of microfinance institutions (MFIs); and (iii) the trend towards commercialization and away from social impact, most importantly a shift away from serving women. These external factors, coupled with a renewed drive to prove impact and to be more efficient as an institution, fueled the development of the 2011- 2013 Strategic Plan.

At the beginning of the strategy period WWB posed the question ***What does success look like?*** As WWB works towards the five objectives of the current Strategic Plan, WWB envisions its success in terms of its ability to:

- Make significant progress in proving the business case for women
- Innovate on products that meet the needs of low-income women clients and scale a number of these products, in an effort to increase access and financial inclusion
- Grow and diversify WWB's revenue base
- Build a stronger organization to expand WWB's work and to attract talent to deliver on WWB's Strategy

WWB's success in achieving these aims is tracked with key performance indicators and yearly targets. The indicators, targets and results for 2011 are included in Annex 1 and presented throughout the report.

---

<sup>1</sup> From 2003 to 2008, the global industry experienced a growth in borrowers at a CAGR of 12% and a portfolio outstanding CAGR of 34%, as reported in *Microfinance Industry in India*, Lok Capital, March 2010.

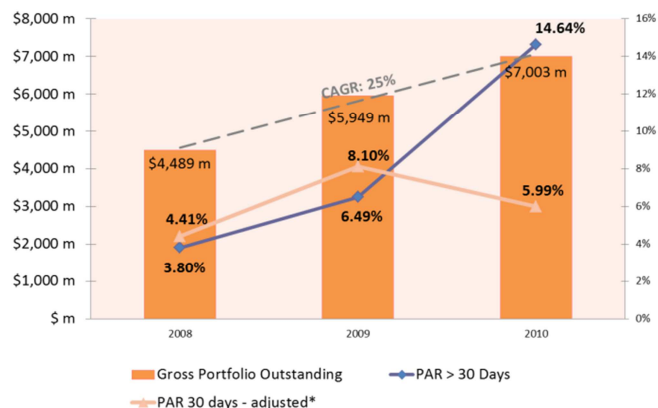
## The State of the Network

In keeping with WWB's commitment to high performance standards, WWB collects and reports on a number of key financial and social performance indicators for all its network members. The data continues to show that the WWB network is strong and operates at or above average industry levels with regard to nearly all key performance measures. In 2010, the WWB network was more profitable than industry averages while remaining the leader in serving women, with its percentage of women clients well above industry averages. Portfolio at risk levels remained elevated as compared to the industry and operating cost ratios were below one industry benchmark (MixMarket), and above another (Sym50).

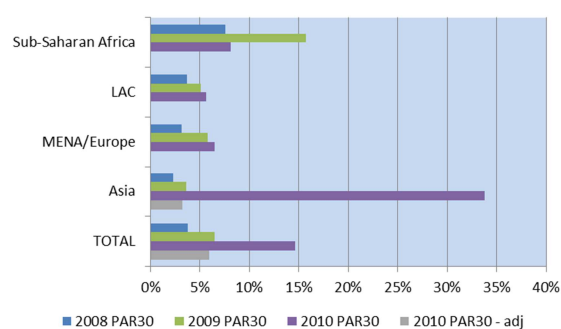
Network Summary	2008	2009	2010
Number of Network Members	40	39	39
Number of Active Clients	22,795,555	24,647,296	25,761,127
Percent Women Clients	75%	82%	77%
Gross Portfolio Outstanding (millions)	US\$ 4,454	US\$ 5,949	US\$ 6,981
Average Loan Balance as percentage of GNI	30%	40%	68%
Portfolio at Risk > 30	3.44%	6.56%	14.7%
Operating Cost Ratio	19%	19%	22%
ROA	3.05%	1.78%	2.6%

Although the face of the network appears relatively unchanged since 2008, with no growth in network members and an increase of roughly three million active clients, the WWB network has undergone significant changes as a result of commercialization. Seven institutions have transformed from non-profits into banks and NBFIs since 2003 and over 50 percent of the network is now for-profits or regulated institutions, while only one third are non-profits. Commercialization is no longer a trend but a reality and this has precipitated other changes in network performance.

Network Portfolio Growth



Portfolio at Risk (30 days) by Region

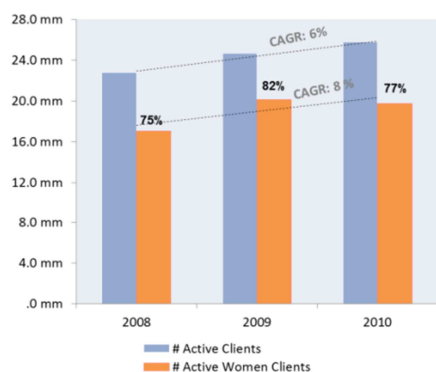


Loan portfolio growth remained strong, with a CAGR of 25 percent since 2008. This growth was a factor in the significant increase in PAR levels that almost doubled in 2009 and tripled in 2010. However, a regional breakdown of PAR (see graph on the right) shows that the microfinance crisis in the Indian state of Andhra Pradesh resulted in the substantial increase in PAR. Excluding for the effects of the crisis in

India, network PAR levels decreased in 2010, although they still remain higher than 2008 levels. Regional levels show PAR increases in LAC and MENA in both 2009 and 2010, while in Sub-Saharan Africa and Asia, again adjusting for the crisis in Andhra Pradesh, PAR decreased in 2010.

In 2010, portfolio growth appeared to be mostly driven by average loan balance increases. All regions, with the exception of MENA/Europe, registered average loan balance increases in 2010. As a percentage of GNI, average loan balance remained relatively stable in LAC, but increased substantially in both Asia and Sub-Saharan Africa. Despite the industry wide increases, the WWB network maintained an average loan size of US\$ 1,200 as compared to an industry average of US\$ 2,700. The lower-than-average loan size demonstrates WWB’s continued ability to serve the low-income segment, while maintaining a focus on reaching women and remaining competitive in the industry.

Furthermore, portfolio growth did not have a negative effect on profitability and efficiency. Profitability levels increased in 2010, while portfolio yield remained stable and operating cost ratios increased slightly. The highest portfolio yield and return on asset (ROA) levels were registered in LAC while Africa showed the highest cost levels, and lowest ROA and portfolio yield.



With regard to outreach, the percentage of women clients (see graph on left) increased by CAGR of eight percent between 2008 and 2010, but there was a five percent drop to 77 percent women clients between 2009 and 2010. Asia maintained the highest representation of women clients and Sub-Saharan Africa the lowest.

The 2010 network performance data demonstrates WWB network members’ commitment to reaching and serving low-income women, as shown through high levels of percentage of women clients *and* competitiveness in the industry, as shown through strong portfolio growth and high profitability levels. The WWB network remains a model of best practice when measured with both financial and social performance indicators and WWB continues to demonstrate that serving women is good for MFIs and good for the industry as a whole.

### Key Successes 2011

WWB is pleased to report on the achievements of the first year of the new Strategic Plan. We are encouraged by its initial successes and remain on track to achieve its objectives over the remaining two year period. WWB is appreciative of the support the Core Funders have provided which has made these achievements possible. In particular, the following successes:

- WWB conducted 9 research studies in 7 countries to identify women’s financial needs**
- WWB tested 9 innovative products and services and introduced products and services at 15 institutions**
- 908,692 clients are accessing products incubated with WWB support, 80% of them are women**
- 146 microfinance leaders were trained through WWB’s Center for Microfinance Leadership**
- WWB improved internal processes, diversified and expanded revenue sources and increased net assets**



The successes mentioned above highlight WWB's achievements in expanding its reach and impact in 2011, while simultaneously increasing its organizational capacity to deliver on its mission and current Strategic Plan.

### Results against the Strategic Plan

The following section highlights successes and discusses challenges faced by WWB in 2011, in achieving the five core objectives of the Strategic Plan. Key results on 2011 targets are highlighted in Annex 1. See Annex 2 for Affiliate Performance Update (APU).

The five core objectives of the 2011-2013 Strategic Plan are to:

1. Identify women's financial needs, products and services
2. Incubate innovative products and services
3. Codify and disseminate knowledge to financial institutions
4. Scale by rolling out tested innovations and by strengthening capabilities that enable women-focused innovation
5. Prove the business case for women

### Objective 1- Identify women's financial needs, products and services

For over thirty years, the basis of WWB's work has been to **identify women's financial needs, products and services**, as this informs WWB's product innovation strategy. Women have distinct needs on their journey toward a financially secure future relative to men. In each stage of a woman's economic development—moving from sustenance to security and finally to accumulation and growth—a woman must have access to a range of financial products. Research lays the foundation for understanding these needs and in turn WWB's ability to develop women focused products.

To achieve this objective, WWB has worked to expand its existing body of research on the financial needs of women, including their preferences and the constraints they may face. In so doing, WWB is able to identify innovative approaches to product design, marketing, financial education and alternative delivery channel development.

**In 2011, WWB conducted nine market research studies in seven countries - Kenya, the Dominican Republic, India, Ethiopia, the Gambia (two studies), Pakistan and Paraguay.**

In January 2011, WWB conducted market research at Kenya Women's Finance Trust. The WWB team conducted two weeks of field research to build upon segmentation research from 2010. The aim of the work was to understand how KWFT could connect with customers through new product offerings and a superior customer experience. The research was conducted in six cities and included 21 interviews with women and their families and ten interviews with KWFT staff. The WWB team also shadowed two Loan Officers and conducted three manager visits and seven KWFT group visits while in Kenya.

The research laid the foundation for the development of five new product concepts: two commitment savings accounts; the *Peace of Mind*, a combination of programmed and term account to target low-income salaried workers; the *Savings Circle*, which is a group account; and the *Tausi*, targeted children accounts. The goal-based commitment account, the *Peace of Mind* account, and the *Tausi* account will be further researched and potentially developed. In mid-August 2011, WWB helped KWFT test the

prototype of the *Tausi Junior* and *Tausi Teen* accounts. Subsequently, KWFT was able to launch a pilot in Mombasa, Kericho and Nyeri. WWB will continue to support KWFT's work in 2012.

With network member Kashf in Pakistan, WWB conducted research to evaluate their savings kiosk pilot. Field research, which took place in Lahore in July, included 11 in-depth interviews in each kiosk with a randomized selection of active, at risk and inactive customers and non-customers who attended an educational marketing event but did not open an account. WWB also conducted a number of interviews and focus groups with both Kashf clients and staff. WWB found that the value proposition of saving at Kashf continues to be security, liquidity and reliability. Kashf's primary savings product offering, the *Kamaal* Committee account, continues to be positioned as an alternative to saving at home, although there is notable risk that formalizing savings can result in women losing control over their savings. The proposed policy of making it mandatory for Kashf borrowers to save approximately US\$ 10 per month was tested. The amount was found to be too high, and as a result of the research findings, Kashf reduced the required amount to just under US\$6 a month.

In August 2011, WWB conducted two savings-focused research studies. In the Dominican Republic, WWB initiated a "case study" based project in partnership with network member ADOPEM, to explore what factors influence a girl's ability to save using a bank account. The research investigated cultural, household, and individual dynamics in the Dominican Republic that impact girls. The study findings will be used to understand how WWB can more effectively design products, marketing, and financial education to positively influence girls and households to save more.

The project included interviews with active and non-active youth savers and their family members. The interviews showed that girls are saving, generally through several mechanisms, and they have diverse reasons for doing so, such as saving for education, emergencies, a car, or a house. Based on the research findings, WWB developed a number of hypotheses as to how financial service providers and financial educators can increase savings. Recommendations included: the need to (i) bring financial institution transaction points closer to youth and adults; (ii) promote youth savings products to parents who are good savers, especially mothers who are entrepreneurs and heads of low-income households; (iii) provide tools and incentives to help girls employ specific savings strategies and influence friends, both through product marketing and financial education; and (iv) focus marketing and financial education efforts on girls under the age of 12, when conditions are more conducive to developing positive savings habits.

Also in August, WWB conducted savings and marketing research for SEWA Bank in Ahmedabad, in preparation for a three-month pilot to test ways to embed financial education into routine interactions between customers and the bank, to build customer capacity and to drive product uptake and use. The field research component included seven focus groups and 18 interviews and laid the foundation for the pilot launched in January of 2012.

In November 2011, WWB conducted research in order to design a youth savings pilot at network member PEACE in Ethiopia, to deliver youth savings and financial education to 12-24 year olds. WWB and PEACE conducted four focus groups to test the *Leneye* ("for tomorrow") product prototype and marketing materials and to confirm the youth's financial product needs. WWB and PEACE also conducted three financial education sessions to test the financial education curriculum.

Also in November, WWB conducted market research on the demand and supply of remittance products in the Gambia and Spain, in partnership with Reliance Financial Services, an MFI in the Gambia. WWB developed a final report that explores the breadth of untapped opportunities to improve remittance services and provide value-added financial services to Gambians at home and abroad, and the important development impacts for low-income Gambian families that these investments could yield. Senders and receivers of remittances aim to utilize remittances to decrease vulnerability and increase opportunity for their families, through financing household expenses, education, housing and health emergencies, all areas vital to the economic and social progress of a household and community. Yet, many lack access to affordable services to send funds back home and the financial services to help ensure remittances are well used and protected. In particular, WWB identified difficulties with regard to channeling and using remittance money for the purpose for which it was sent. In the final report, WWB highlights the need for goal oriented savings accounts for both remittance senders and receivers, and the importance of financial education and confidentiality. Based on the report findings, WWB will look to identify opportunities to engage in remittance product development work in 2012.

WWB also designed and conducted qualitative research with men and women clients and women non-clients of Interfisa, a WWB network member in Paraguay. The research was conducted in September at two rural sites in Paraguay and included 12 focus groups and nine in-depth interviews. The research findings, highlighted in the text box to the right, indicate that women's financial contributions are overlooked and as a result they are not provided with opportunities to access credit. The research was conducted as the first phase of WWB's gender sensitive rural finance project, through which WWB will work to make women's contribution more visible by encouraging better credit analysis, gender sensitive training for credit officers and other staff, as well as marketing campaigns specifically targeted to reach women.

#### **Key Rural Finance Research Findings**

**-Women themselves frequently underestimate their contribution to the household economy, and in turn their husbands, credit officers and financial institutions do so as well.**

**-Women's income-generating activities are generally viewed as supplemental to the primary agricultural activities undertaken by men, despite generating higher and steadier income flows.**

**-Agricultural activities managed by the husband were overestimated while the non-farm income generating activities managed by the wife were not analyzed correctly and were significantly underestimated.**

In addition to completing nine research studies, WWB also created a Research Catalog in 2011. The Catalog outlines the quantitative research studies, including competitive positioning, market sizing and impact studies, and qualitative research studies that WWB has undertaken to date. This Catalog will serve as an important internal resource and allow WWB to better access and leverage existing research materials. Please see Annex 3 for the WWB Research Catalog.



WWB has gauged progress for Objective 1 with the following Measures of Success and has met or exceeded all 2011 targets.

<i>Measure of Success</i>	<i>2011 Target</i>	<i>2011 actual</i>
<i>Number of research studies conducted to identify women’s needs related to financial products</i>	8	9
<i>Number of countries where research studies are conducted</i>	6	7

## Objective 2- Incubate innovative products and services

The gender baseline studies to understand the financial needs of low-income women, together with customer demand research, form the basis for WWB’s ability to develop and **incubate innovative products and services**, Objective 2 of the current Strategic Plan.

WWB seeks to design financial products and services that are profitable for financial institutions by successfully meeting women’s financial needs. Using the insights gathered from gender focused market research and in close collaboration with partner organizations, WWB works to create innovative financial products to be beta-tested. For all innovative approaches, WWB’s goal is to demonstrate their success in the smallest number of contexts needed to prove that they can be replicated and scaled elsewhere, as per Objective 4 of the Strategic Plan.

In 2011, WWB’s product incubation work focused on **nine** products-, **Individual Lending, Rural Finance, Housing<sup>2</sup>, Adult Savings, Youth Savings, Savings and Remittances, Microinsurance, Financial Education<sup>3</sup> and Social Communications.**

### Individual Lending

In 2011, WWB provided **individual lending** technical assistance to **one network member**.

In June, WWB conducted a trip to network member GAWFA in Banjul, The Gambia. The trip was part of a two year technical assistance engagement to help GAWFA diversify their product offerings by introducing an individual lending product. However, due to financial constraints, the GAWFA Board decided that it was unable to meet the financial obligations required for the product development and should instead focus its energies and resources on improving their financial standing. WWB tried to explore several options to help GAWFA and allow for the engagement to continue, but in the end, WWB and GAWFA were unable to reach a solution. As a result, GAWFA did not introduce an individual lending product. To date, GAWFA is slowly re-building and is hopeful that in a year, it will again be in a position to resume its product diversification plans and receive technical assistance from WWB.

<sup>2</sup> In 2011, WWB conducted an in-depth feasibility study on housing with Microfund for Women (MFW) in Jordan. After reviewing the findings of the study, MFW decided to focus on implementing health insurance in the short term and a housing product over the medium term, i.e., next two to three years.

<sup>3</sup> Although financial education is presented and reported on as a distinct financial service in the current Strategic Plan, it is also a critical component of WWB’s product development and delivery methodology across all products.

## Rural Finance

In 2011, WWB began **rural finance** work with **two network members** in Latin America, Fundación delamujer and Interfisa, as part of WWB's rural finance project mentioned under Objective 1. The project is a collaboration with three WWB network members in Latin America, to promote the development and delivery of gender-sensitive rural credit products.

In the summer, WWB began work with Interfisa in Paraguay. In July, WWB completed an institutional diagnostic in order to understand the organizational structure and functions of Interfisa; the institutional readiness of the organization for the project and identification of potential challenges. Following the industry and customer research conducted in the fall, WWB and Interfisa worked on product design and process adjustments— including changes to Interfisa's MIS system. Marketing strategy development and loan officer trainings, with ten loan officers, are currently underway. The pilot is now planned to launch in the Caaguazú and Coronel Oviedo regions in April 2012. WWB and Interfisa aim to increase access to financial products and services for at least 1,000 new rural clients in 2012 and 7,800 clients by 2014.

As part of the same project, WWB conducted monitoring and evaluation of Fundación delamujer's current rural finance program. This was undertaken through an evaluation of an existing rural finance pilot at the San Gil Branch in the Sierra Region of Colombia. WWB conducted a training of trainers (ToT) in two regions (Sierra and Costa) in order to create two training centers as preparation for roll-out of a new rural finance product, in addition to analyzing the potential for roll-out of the product in the Costa Region. WWB also assisted Fundación delamujer in making necessary MIS adjustments and defining the profile of rural loan officers and supervisors while assisting the Rural Finance Director with monitoring of the rural product and development of portfolio projections. WWB and Fundación delamujer aim to increase access to financial products and services for at least 1,500 new rural clients in 2012 and 10,000 clients by 2014.

## Adult Savings

WWB worked with **four network members** - Kenya Women's Finance Trust, Fundación WWB Colombia, ADOPEM and Kashf Microfinance Bank- to deliver **adult savings** products in 2011. With WWB's support, the four project partners surpassed 2011 targets and collectively increased active savings accounts to 788,033, reaching a total of 597,615 clients.

Kenya Women's Finance Trust (KWFT) is on track in implementing its savings program and recently expanded its network of deposit-taking branches to 18. At the end of 2011, KWFT had 606,223 active accounts, 370,000 of which were voluntary, i.e., not linked to loans. The average account balance nearly doubled in 2011, with an increase from US\$ 44 to US\$ 85. In addition to the new savings product pilots in Mombasa, Kericho and Nyeri, KWFT management approved the development of a savings product targeted at low-income, informal workers that is a programmed account that converts to a time deposit at the end of the term. The product will be further developed and piloted in the second quarter of 2012.

In 2011, Fundación WWB Colombia completed its transformation into a regulated financial institution. The NGO transferred its assets and liabilities to Banco WWB S.A and officially began operations as a regulated bank on February 1, 2012. WWB played an instrumental role in helping Banco WWB to obtain its license.

With WWB support, Banco WWB also launched time deposit and transaction savings accounts in 2011, and intends to launch programmed savings in 2012. Borrowers are being offered savings accounts at the time of loan disbursement. From a sustainability perspective, preliminary results are encouraging, as clients are maintaining a higher percentage of the loan in their accounts than was initially projected. In

addition, WWB arranged a site visit for Banco WWB to three institutions in Peru—Banco de Crédito del Perú, Mibanco and Caja Municipal de Arequipa de Ahorro Crédito. The trip provided Banco WWB with an opportunity to see successful examples of savings products, channels, segmentation, marketing, and costing. As a result of the trip, Banco WWB recommended a review of its segmentation, savings products and agent banking model.

Kashf Microfinance Bank (KMB) completed a management change, with a new CEO taking over in August 2011. Under new management, the bank’s key performance indicators improved in the second half of the year, specifically loan portfolio growth, and an increase in operational sustainability from 61 to 70 percent. There was also a renewed commitment to developing a stable deposit base through a multi-segment strategy as well as a revitalized commitment to salesforce training and customer care. However, development of alternative channels, including the Kashf Foundation agent banking relationship, is on hold pending regulatory approval. KMB is not in compliance with capital adequacy requirements, as mandated by Pakistan’s branchless banking regulations.

In 2012, WWB will work with KMB to shift the focus from development of alternative delivery channels to increasing outreach to low-income customers through KMB’s under-utilized branch network and to support KMB to increase the bank’s focus on marketing and brand awareness to facilitate the scale-up of its savings program. At the end of 2011, KMB had 99,345 active savings accounts. KMB will not reach its project goal, but will achieve significant progress in offering high-quality savings to low-income men and women in Pakistan.

In 2011, Banco ADOPEM significantly expanded its savings portfolio, with a 43 percent increase in active accounts, from 57,000 to 81,905. With WWB’s support, ADOPEM also improved deposit mobilization and strengthened its customer service through establishing a Marketing Department and Call Center. WWB also helped develop a holiday marketing campaign, which resulted in an over ten percent increase in the number of active savings accounts.

### Youth Savings

Building on the successes of the adult savings projects, WWB worked with **four network members**- Xac Bank, ADOPEM, PEACE and Kenya Women’s Finance Trust- in 2011 to develop and deliver **youth savings** products and services. A summary chart of WWB’s youth savings work is provided below.<sup>4</sup>

	<i>Mongolia</i>	<i>Dominican Republic</i>	<i>Ethiopia</i>
<b><i>Program launch date</i></b>	March 2009	Jan 2010	Dec 2011
<b><i>Status</i></b>	Nationwide roll-out in Sept 2009	Nationwide roll-out in December 2011	Nationwide roll-out planned for late 2012
<b><i># Accounts opened to date</i></b>	7,050	10,076	270
<b><i>Average % of accounts transacting per month</i></b>	17%	35%	58%
<b><i>Average balance</i></b>	66,690 MNT (US\$ 50.15)	512 DOP (US\$ 13)	185 birr (US\$ 10.50)
<b><i>Financial education participants</i></b>	Over 20,000	5,224	298

<sup>4</sup> All figures as of February 2012. The Kenya project is still in the pilot phase and performance numbers are not yet available.

In 2011, WWB continued work with its two original partners in youth savings product development. WWB and ADOPEM continued to expand the reach of the youth savings product, *Mía*, and WWB assisted ADOPEM to develop an updated roll-out action plan and improve management reports. As of February 2012, youth, *Mía* products and training had been rolled out to all branches and 10,076 *Mía* accounts had been opened. In addition, 5,224 youth had received financial education since the start of the project.

WWB also worked with XacBank to evaluate slower-than-expected account growth and proposed a new management structure and action plan to implement previously proposed marketing tactics. Branches throughout Mongolia are organizing in-school events to promote the *Temuulel* account and XacBank is planning a new media campaign for the account in 2012. As of February 2012, 7,050 *Temuulel* accounts had been opened and more than 20,000 youth had received financial education since the launch of the project.

In September 2011, a third party evaluator, Microfinance Opportunities (MFO), completed its end line impact assessment for WWB's youth savings work with XacBank<sup>5</sup>. Key findings are highlighted in the text box below.

- **Financial education makes a difference on savings:** "Savings Plus" girls (those who received financial education and opened a youth savings account) saved more on average than "Savings Only" girls (those who only opened a youth savings account) or "Comparison" girls (those who neither opened an account nor received financial education).
- **Greater capacity:** "Savings Only" and "Savings Plus" girls showed significant gains in financial knowledge, skills, and attitudes compared to girls who did not ("Comparison" girls).
- **Self-esteem enhanced:** "Savings Only" and "Savings Plus" girls reported a sense of pride in managing financial affairs and a greater desire for financial autonomy. The praise and encouragement they received from their parents was very important to them. Also, "Savings Plus" girls developed social networks and teamwork skills as a result of participating in the financial education sessions.
- **For the bank, a gateway product:** Youth accounts were viewed as a loss leader but one that will help secure a base of lifelong, loyal customers over a long-term time horizon.
- **Beneficial "spillover" effect confirmed:** Girls shared their experiences with peers, family, and community and encouraged peers to open savings accounts as well.
- **Potential policy implications:** XacBank opened negotiations with the Ministry of Education to formalize financial education into school curriculum.

In addition to the positive impacts listed above, there were also mixed results from both the client and bank perspective. XacBank continues to view youth accounts as a long-term investment worth making but has not found partners with specialized expertise in youth marketing. In addition the study found that despite exposure to XacBank product offerings, uptake among parents of adult savings products was not as strong as hoped. On the client side, although the "Savings Plus" girls experienced distinct gains in knowledge, skills, and attitudes, and shared their experiences with their peers, family, and community, those gains seemed not to translate into hoped-for advances in life planning. The study

---

<sup>5</sup> Microfinance Opportunity, September 2011 "Savings and Financial Education for Girls in Mongolia: Impact Assessment Study"

notes that few of the girls developed a formal savings plan linked to life goals. This may be attributable to a need for better financial education, for better savings product design, for a longer time horizon for the study, to the age of the study subjects, or to a combination of these factors. In any case, the findings confirm many of WWB's hypotheses regarding the immense benefits associated with providing girls with a safe place to save in conjunction with financial education and will help WWB to further refine youth focused products and financial education curriculums moving forward.

In 2011, WWB also began youth savings work with two new partners in Sub-Saharan Africa. The research conducted at PEACE in November 2011 laid the foundation for the development and pilot launch of the *Lenege* account, a youth targeted voluntary savings account. The pilot launched on December 1, 2011, at PEACE's Bereh Aleltu branch. The pilot objectives include: (i) host a *Lenege* Launch Event to introduce the product to potential clients; (ii) facilitate 24 practical financial education sessions, reaching approximately 720 students; (iii) open at least 155 *Lenege* accounts in December 2011, with a total of 295 *Lenege* accounts by March 2012; (iv) test operational process for account opening and effectiveness of marketing; and (v) develop *Lenege* policies and procedures. At the end of 2011, nearly 300 *Lenege* accounts had been opened.

In conjunction with the adult savings work, WWB launched a new youth savings project with KWFT in August of 2011. WWB conducted key informant interviews on youth in Kenya, tested two new product concepts with mothers to determine how to optimize the existing savings accounts, and evaluated the feasibility of a savings account for young people. WWB also helped with the development, testing and refinement of product prototypes in preparation for pilot testing.

WWB's work to improve its existing youth savings projects and the launch of two new projects in 2011 continues to position WWB as an innovator and leader in the growing field of youth financial services, particularly as an advocate for a focus on reaching and serving girls.

### **Savings and Remittances**

In 2011, WWB provided support to Hatton National Bank in Sri Lanka to develop a savings-linked remittance program for senders and recipients of funds from the Gulf region. Specifically, WWB was involved with product design and financial advisory program development. The program, launched in June, now has more than 600 clients and is being expanded throughout Hatton's branch network.

Furthermore, based on the remittance research conducted in the Gambia and the clear need for savings-linked remittance products, WWB will explore the potential for further product development work in this area in 2012.

### **Health Microinsurance**

The success of WWB's *CareGiver* product in Jordan, in partnership with Microfund for Women (MFW), continued in 2011. WWB understands that low-income women need access to a full range of products: (i) credit, to help them improve their income potential, (ii) savings, to help protect and generate capital for future needs; and (iii) insurance, to protect their assets and improve their economic status. As most MFIs do not offer health microinsurance products, WWB's innovation in this area is of particular importance.

As of January 31, 2012, there were 43,546 active insured clients at MFW. The total number of claims was 2,119, with an average claim payment of US\$ 51. Nearly fifty percent of the claims continue to be for pregnancy related hospitalization, which demonstrates that women are taking advantage of WWB's

work to ensure that pregnancy related medical services were covered by the *CareGiver* policy. WWB also assisted MFW in conducting the tender process for an insurance partner for the full roll-out of the *Caregiver* Individual Policy and development of the Family Policy. WWB will also expand the *CareGiver* product to new regions and markets in 2012.

### **Financial Education and Social Communications**

WWB's social communications initiative, in collaboration with network member Banco ADOPEM in the Dominican Republic, continued with the October 2011 premiere of the soap opera, *ContraCorriente*. The initiative aims to promote savings through financial education and the soap opera is complemented by a national media campaign and financial education training. All three components of the initiative will be monitored and evaluated in collaboration with WWB's strategic partner, the International Center for Research on Women (ICRW).

The first episode of *ContraCorriente* drew over 130,000 viewers, making it the third most watched program during its timeslot. Viewership increased with the second episode to more than 170,000. In parallel, WWB and ADOPEM launched a national savings campaign which will run through February 2012 on television, radio and outdoor billboards. The main slogan of the campaign is "*ahorrando vas a llegar*" or "savings will get you there" and it utilizes stories of female entrepreneurs and heads of households to inspire the target population to save, even if it is "bit by bit." Through television commercials alone, the campaign has already reached approximately 191,000 people.

The financial education component, which is incorporated throughout the narrative of the series, is also being worked into DVD packs with associated training and discussion guides. The DVDs contain scenes from the soap opera that highlight key messages in a series of seven financial education training sessions. A financial education training of trainers took place in January 2012 with participants from ADOPEM as well as other local NGOs to maximize reach and impact. By the end of March 2012, the trainers will train a minimum of 300 ADOPEM savings clients. Training participants will also complete a pre- and post-test to assess acquisition of knowledge and skills.

The third component, monitoring and evaluation, aims to answer *how* and *in what ways* change has been achieved as a result of the initiative. This component will inform, and hopefully expand, the field of social marketing for microfinance. WWB and ICRW have finalized the details for the monitoring and evaluation work, which began in September 2011 and will conclude in July 2012, three months after the end of the soap opera broadcast and the financial education training. Qualitative baseline research, including focus groups and individual interviews, was conducted in September 2011. The quantitative baseline research, including 1,400 surveys, began in October. Mid line research will be conducted via phone surveys at the end of March 2012 and end line work will be conducted in June and July with 1,400 follow-up surveys.

In addition to the social communications work in the Dominican Republic, WWB has collaborated with network member SEWA Bank, in India, to design and pilot a financial education program, Project *Samruddhi*, which launched in January 2012. In August, the WWB team completed a three-week customer research trip, which revealed numerous insights regarding financial awareness and behavior. The WWB team learned that clients had limited recall of the financial education messages and concepts presented during the existing five-day training and therefore WWB and SEWA should develop and pilot a 90 minute training focused on concrete, practical messages.



Following the customer research trip, WWB and SEWA designed the scope and materials needed for the three-month pilot program, which includes ten field agents (*saathis*) and 300 customers. The education tools focus on goal creation to motivate regular deposits and customer “do’s and don’ts” and “Know Your Passbook” campaigns with simple, visual communications through customer trainings, branch posters, passbook inserts, and branch and iTouch videos. *Saathis* will use iTouch PDAs and applications have been developed specifically to support their work in the field. The applications include: a recurring account calculator which will help customers choose the right amount and term of saving, a visual progress tracker which will show the impact of missed deposits on a customer’s saving goal and pop-up boxes that will prompt *saathis* to cross-sell other appropriate products. *Saathis* have already participated in a three-day training to introduce them to the pilot and new technology, and to improve their sales techniques.

The ultimate goal of the financial education pilot is to make 30 percent of dormant account holders regular savers and to have 50 percent of active account holders increase their balance by ten percent. A preliminary evaluation of the pilot has shown promising results.

**WWB has gauged progress for Objective 2 with the following Measures of Success and has met or exceeded three out of four 2011 targets.**

<i>Measure of Success</i>	<i>2011 Target</i>	<i>2011 actual</i>
<i>Number of innovative products and services tested</i>	9	9
<i>Number of institutions where innovative products and services have been introduced</i>	16	15
<i>Number of clients accessing products incubated with WWB support</i>	779,042	908,692
<i>Number of clients that are women</i>	75%	80%

WWB was not able to meet the target for number of institutions where innovative products and services have been introduced, as the launch of the rural finance project with network member Caja Municipal de Arequipa de Ahorro Crédito was delayed. The project officially launched in January 2012 and the first phase of the project will be completed by the end of March 2012.

**Objective 3- Codify and disseminate knowledge to financial institutions**

Following the beta-testing of a new product, WWB shares lessons learned with WWB network members and works to **codify and disseminate knowledge to financial institutions** and the industry as a whole. WWB shares product development and incubation insights so that other institutions are able to apply WWB’s experiences and implement women-targeted products more broadly. WWB disseminates this information via a range of media including **publications and online resources, conferences and forums, and trainings.**

This objective reflects both the importance of in-network peer learning and also WWB’s desire to share lessons learned beyond the network. This work also serves to increase WWB’s visibility in the sector as an innovator and a leader, to accelerate research and development for women in the sector more broadly, and to enable the adoption of innovative approaches by others even when WWB is not directly engaged in product implementation.

## Publications and Online Resources

In 2011, WWB developed four<sup>6</sup> publications and produced a number of position papers and online resources, including articles and blogs.

In 2011, WWB published two pieces on gender. The first, “What if it Had Been Lehman Brothers & Sisters?: The Importance of Building Gender Diverse Microfinance Institutions,” draws on three gender assessments conducted by WWB from 2008 to 2010 with microfinance institutions in India, Bangladesh and Pakistan. The intention of this cross-institutional analysis is not to minimize the significant differences amongst institutions in these three countries of South Asia, but rather to identify what similarities exist for women working in microfinance and to propose common solutions for achieving greater workforce diversity.

The second gender publication, developed in conjunction with the study mentioned above, is WWB’s Organizational Gender Assessment Toolkit (OGA), which includes diagnostic tools, best practices and case studies of gender diverse network members. The electronic OGA toolkit contains diagnostic tools on the OGA process to enable institutions to conduct their own OGA and evaluate human resources policies that will attract and retain more female staff. Please see Annex 4 for the complete publication, which is also available on WWB’s website.

WWB also published a case study on Kenya Women’s Finance Trust (KWFT) the recipient of WWB’s 2011 Excellence in Leadership Award. The Award recognizes WWB network member commitment to and promotion of gender diversity. Additionally, WWB published a Women’s World Banking Factsheet and the 2010 Annual Report, both of which are also available online.

At the G20 Seoul Summit in November 2010, the G20 Leaders endorsed the ‘Financial Inclusion Action Plan’ and the creation of the Global Partnership for Financial Inclusion (GPI). Subsequently, the GPI released a report, which analyzes the issues in improving access to finance for women-owned businesses. WWB was asked by several G-20 governments to comment on the subgroup’s report. In response, WWB developed a white paper on *Providing Women Access to Financial Services in Response to Proposals by the G-20 Financial Inclusion Expert Group*. WWB welcomed the opportunity to influence this important work and was encouraged by the G-20’s commitment to financial inclusion, with a particular focus on addressing the unique challenges that women face.

Throughout 2011, WWB was increasingly active in producing online articles and blogs and engaging readers online, with more concise and focused pieces. WWB has been successful in placing articles by WWB President and CEO, Mary Ellen Iskenderian, and at reaching a wide-range of audiences. WWB has an ongoing relationship with the Harvard Business Review (HBR) and Ms. Iskenderian wrote two posts for the HBR Blog in 2011. In honor of International Women’s Day on March 8<sup>th</sup>, Ms. Iskenderian wrote a blog on women and girls as the key to global poverty reduction. Also in March, WWB posted an article by Ms. Iskenderian on “Women as Microfinance Leaders, Not Just Clients,” to highlight WWB’s Excellence in Leadership Award, in promotion of gender diversity. Ms. Iskenderian also emphasized the importance of gender diversity in “How Women Can Save Microfinance” for a post on the Women in the World Foundation site. In October, WWB Executive Vice President of Programs, Inez Murray, posted a blog on the CGAP website “Do We Need Pink Check Books?” on the importance of understanding gender

---

<sup>6</sup> One of the 2011 publications, *Solutions for Financial Inclusion: Serving Rural Women*, was presented in the 2010 Report but the publication was finalized in 2011. The publication and publication brief (in English and French) are both available online at <http://www.swwb.org/publications/solutions-financial-inclusion-serving-rural-women>.

roles in order to develop financial products and services that meet the unique needs of low-income women.

In addition to creating and publishing new content, WWB's work was mentioned 120 times in a diverse range of media outlets and publications including the Huffington Post, the Wall Street Journal, the New York Times, CNN.com, Forbes.com, Nextbillion.net, Microfinance Focus, and the Center for Financial Inclusion.

### **Conferences and Forums**

Another important way in which WWB disseminates knowledge is through hosting and participating in conferences and forums. In 2011, WWB hosted three conferences/forums and participated in and attended a number of key industry conferences and events.

In April 2011 WWB hosted an **Investor Forum**, the **9<sup>th</sup> Annual Capital Markets Conference (CMC)** and the **15<sup>th</sup> Bi-Annual Global Meeting**.

The Investor Forum, held exclusively for WWB network members on April 5, 2011, provided access to global investors through one-on-one private meetings. The Forum was attended by 103 people, 88 participants, and 15 Barclays interpreters. There were 43 network member participants, representing 25 institutions and 45 investor attendees, representing 17 institutions. In total 28 countries were represented at the Forum and network members participated in over 110 one-on-one meetings with a diverse group of investors to discuss potential investment opportunities.

The Investor Forum was held in conjunction with **WWB's 2011 Capital Markets Conference**, with the theme of "Quality Capital to Deliver Social Mission." The Conference was held April 6<sup>th</sup> and 7<sup>th</sup> in New York City and was attended by 351 participants, 63.5 percent of them women, representing 39 countries. There were 45 attendees from WWB network members, representing 27 institutions and 43 investor attendees, representing 29 institutions. The Conference featured 55 speakers, including keynote speakers: Adam Davidson from National Public Radio, Erwann Michel-Kerjan from The Wharton School, Joyce Chang from J.P. Morgan and Diana Taylor from Wolfensohn & Co./ACCION International.

The 2011 Conference was dedicated to discussing why microfinance still needs and warrants quality investments to help achieve its vision of positively impacting the lives of low-income and vulnerable people through provision of financial services, while managing businesses that meet shareholder objectives. The topics covered included: Maximizing Effectiveness of Investments in Microfinance; Social Impact of Microfinance: What is the Research Telling Us?; Unforeseen Crises and Microfinance; and The Value of Investing in Women. The Conference received a rating of 4.42 out of 5.

The **15<sup>th</sup> Global Meeting** was held on April 8<sup>th</sup> and was attended by over 50 participants. In light of the dramatic changes to the microfinance landscape at the end of 2010 and the beginning of 2011, the Meeting provided the perfect forum to discuss the ways in which the WWB network can continue to provide responsible financial products and services with a focus on women. The Meeting included a President's address and a presentation of the Excellence in Leadership Award.

The Global Meeting also facilitated the development of WWB's Living the Pledge Project. The WWB Network Pledge (please see Annex 5), originally developed in 2009, includes nine points that articulate WWB's network principles, shared beliefs, and performance standards. In 2011, a task force was established at the request of network members to focus on improving and strengthening the Pledge,

particularly in light of the Andhra Pradesh crisis. In August, a survey was developed and distributed to the network requesting feedback on the current pledge and recommendations on how to develop “implementing guidelines” to put the pledge into action. WWB will issue an additional survey in 2012, which translates the WWB Pledge into 64 measurable indicators of principled or ethical behaviors that are expected of those who signed the Pledge. In addition to completing the survey, network member CEOs will be asked to re-affirm their commitment to the Pledge thus ensuring a renewed network-wide commitment to issues of consumer protection, pricing transparency, governance, and ethical and purposeful leadership.

WWB President and CEO, Mary Ellen Iskenderian’s involvement in industry conference and events continues to be an important platform for sharing WWB’s message and work. In 2011, Ms. Iskenderian participated in and spoke at 35 events and conferences. Highlights include: (i) a presentation at the annual conference of Le Cercle des Economistes, about the contribution of microfinance toward the achievement of the MDGs; (ii) moderating a panel, “Going Small for Big Results,” at the Clinton Global Initiative Annual Meeting; and (iii) speaking on a panel at the Women and the Economy Summit, as a member of the US delegation to APEC. The event was attended by key state department officials and international policymakers including Secretary of State Hillary Clinton, Michele Bachelet, Christine Lagarde, and Valerie Jarrett.

WWB also encourages network members to attend industry events along with WWB. Ms. Iskenderian was a keynote speaker at the Inter-American Development Bank Foro, Latin America’s largest microfinance event of the year, and a number of LAC network members attended the Foro, as well. Ms. Iskenderian also participated in three panels at the Microcredit Summit, in Spain. The WWB network was very well represented, with over 25 network members, from 15 institutions, in attendance and 14 network members speaking on panels.

In addition to participation in industry events, Ms. Iskenderian served as co-chair (with Rupert Scofield of FINCA) of the Microfinance CEO Working Group (MCWG). In 2011, the MCWG published “Roadmap for the Microfinance Industry: Focusing on Responsible and Client-Centered Microfinance.” The publication outlines the MCWG’s vision for the positive evolution of the microfinance field, and underscores their commitment to raising industry standards. Central to this vision is the Working Group’s support for the Smart Campaign, MicroFinance Transparency and the Social Performance Task Force’s universal standards for social performance management. WWB is also directly involved in these industry initiatives and encourages network member involvement as well.

### **Leadership Training**

In addition to publications and industry engagement via conferences and forums, WWB conducts a variety of leadership training programs through its **Center for Microfinance Leadership**. The Center aims to support the development of a diverse set of principled, visionary leaders and high performing, meritocratic organizations within the microfinance industry. WWB’s commitment to supporting principled leaders at the helm of gender diverse microfinance providers (MFPs) dates to its establishment as a global network in 1979. Today, the WWB network includes some of the most celebrated leaders in the industry, representing a global commitment to responsive, sustainable microfinance.

In 2011, the Center hosted two Management Development Training of Trainers, two Women in Leadership Programs, two Advanced Leadership Workshops and one Coaching Program.

The first Management Development Training of Trainers (MDP TOT) of the year was delivered February 21<sup>st</sup> through 26<sup>th</sup> in Quito, Ecuador. The Training was attended by 21 participants from 17 institutions in nine countries; five WWB network members were represented. The Training aimed to provide practical management skills to participants and the program received an overall evaluation rating of 4.64 out of 5. WWB also engaged a local partner to co-host the program, Red Financiera Rural, who was active in marketing the program to their membership and nominated ten participants to attend the course.

The second MDP TOT was held in The Gambia, from May 23<sup>rd</sup> to 29<sup>th</sup>. The training was attended by 20 participants, from 13 institutions representing eight countries. The program received an overall evaluation rating of 4.55 out of 5. In addition to partnering with AFMIN, the Center reached out to local institutions including GAMFINET, the Gambian Microfinance Network, and WWB network member GAWFA, to act as local co-hosts.

The Women in Leadership Program took place in Amman, Jordan in July 2011. The Program was attended by 24 participants from 15 MFIs representing ten countries throughout MENA and Sub-Saharan Africa. WWB network member Microfund for Women co-hosted the program, which received a rating of 4.74 out of 5.

The second Women in Leadership Program was conducted in partnership with KPMG Europe LLP., October 2<sup>nd</sup> to 7<sup>th</sup> in Amsterdam, The Netherlands. The program brought together 20 women in management and leadership roles from 15 MFIs in 12 countries from throughout Eastern Europe, Central Asia and South Asia. During the workshop, participants developed a vision for their leadership and created an action plan to achieve this vision. On day four of the program, the microfinance leaders were joined by senior-level women from across KPMG's European offices. Each participant is now receiving 12 months of one-on-one mentoring from their KPMG mentor. WWB also implemented a monitoring system in order to support mentees in their mentoring relationships. In November, WWB issued a one-month follow up survey to understand any challenges or obstacles mentees had faced in pursuing their mentoring relationships, and WWB has since made as needed changes based on survey feedback.

WWB's first Advanced Leadership Workshop of 2011 took place at Wharton in January. The Workshop was attended by 26 participants from 17 different institutions (ten of them WWB network members), representing 15 different countries. The program was oversubscribed and received a rating of 4.73 out of 5.

The second Advanced Leadership Workshop took place from November 28<sup>th</sup> to December 2<sup>nd</sup>. The Program was attended by 23 participants, from 15 institutions, representing 14 countries. Fifty-three percent of the participants were women, 40 percent CEOs, and 36 percent from outside the WWB network. The program received an evaluation rating of 4.8 out of 5.

The second annual Coaching Workshop was successfully delivered June 21<sup>st</sup> to June 24<sup>th</sup> in Oxford, England. The Workshop was attended by 12 participants from ten MFIs representing ten countries. The newly expanded four-day program included participants who were alumni of the Advanced Leadership Program from January 2011 and March 2010. During the workshop, leaders worked together in small groups and with international leadership development experts to build skills, including how to promote a "coaching culture" in their teams and institutions, promote diversity in leadership and management, align organizational culture with mission and vision and further develop and leverage networks of peer support. The workshop received an evaluation rating of 4.8 out of 5. It was also complemented by a six-month one-on-one coaching program.

Over the course of 2011, the Center continued to expand the breadth of its reach. Given both the monetary and significant time costs associated with attending, it is a notable success that demand for and interest in the programs is greater than the number of spaces available for any given program.

**To date the Center has graduated:**

- **267 leaders**, including **31 CEOs**, from **102 MFIs** representing **51 countries**

The Center's external evaluator, the Research Center for Leadership in Action (RCLA) at New York University, also began a multi-year exploratory evaluation<sup>7</sup> of the Center's programs.

WWB worked closely with RCLA researchers to develop a hypothesis, currently being tested through qualitative research, that more sustained and integrated interaction with the Center at the individual and institutional level is most likely to yield sustained change. RCLA's interim findings, based on early interviews with program delegates and their peers are highlighted in the text box to the right.

- **A combination of classroom programs and executive coaching has a powerful impact on behavioral change.**
- **Experience with multiple programs is not just cumulative, but mutually reinforcing.**
- **Multiple engagements by an institution support meaningful change at the institutional level.**

**Thus far, it appears that the Center's greatest contribution to participants' leadership pathway is in helping participants to understand the importance of leadership development and to:**

- **Possess the confidence necessary to undertake challenges and leadership responsibilities.**
- **More clearly articulate for themselves the new skills and leadership styles they need to learn in order to be successful in their leadership development.**

The evaluation confirmed the importance of offering multiple programs (trainings, coaching, mentoring) to provide participants with continuity and unique opportunities to engage and re-engage with the Center. Over the next year, the Center will continue to deliver a diverse range of programs and is in the process of building an interactive, dynamic knowledge sharing platform for Center graduates to continue dialogue and reflection after they have participated in Center programs.

***"The existence of any leadership development activity in the microfinance industry at this point is promising. Leadership development appears to be scarce via microfinance institutions....WWB is clearly filling a gap in the world of microfinance, especially among relatively resource-scarce non-profit institutions."***

### **Performance Optimization Toolkits and Trainings**

As microfinance institutions become more integrated with local and international funding sources as well as the capital markets, they need more sophisticated tools and resources to effectively manage their growth and maximize access to capital while maintaining their mission. WWB has played a leading role in building the financial capacity of women-focused institutions by providing one-on-one trainings

<sup>7</sup> Research Center for Leadership in Action, November 2011, "Interim Findings: Participatory Evaluation of Women's World Banking's Center for Microfinance Leadership" (unpublished)



and workshops as well as through the development of self-study “toolkits,” a proven method of reaching a broad constituency of MFI managers in a cost-effective manner.

In 2011, WWB developed and is now finalizing three new toolkits- Optimizing Capital Structure (OCS), Cash Management Operation (CMO) and Portfolio Analytics. All three toolkits will be published in early 2012.

As the range of available funding sources continues to grow in the sector, it has become increasingly important to consider the alternative sources of funds in a systematic and disciplined approach. The OCS toolkit helps management analyze an institution’s current capital structure and guides them through the decision-making process to define an optimal capital structure. The main objective is to reduce an institution’s cost of capital through establishing the right balance between a diversity of financial products.

Efficient cash management is also becoming essential as MFIs are beginning to mobilize deposits. Institutions must now meet more strict regulatory requirements, including liquidity restrictions, at both the branch and Head Office level. Management must ensure that adequate amounts of cash are always available for withdrawal. Additionally, as MFIs are increasingly utilizing alternative delivery channels to reach out to more remote populations, they must also consider the effect this will have on the movement of cash. The CMO toolkit presents a cash management methodology that can be applied at all levels of an institution. The tool first focuses on establishing effective cash handing procedures and controls at the branch level, and provides both the theory and the practical tools to estimate optimal cash levels.

The Portfolio Analytics toolkit aims to enable MFIs to gain a more comprehensive understanding of their portfolio using basic segmentation analysis and statistical concepts. The toolkit will help management make better decisions on lending methodologies, portfolio quality, credit policies, as well as determining the suitability of certain products.

Based on the toolkits detailed above, WWB conducted two trainings on Optimizing Capital Structure and Cash Management, in Costa Rica and The Gambia. In Costa Rica, 17 participants attended representing 11 Latin American MFIs. In the Gambia, 26 participants from 11 institutions, attended. The trainings were very well received and feedback from both sessions was incorporated into the training materials and the toolkits.

**WWB has gauged progress for Objective 3 with the following Measures of Success and has met or exceeded two out of four 2011 targets.**

<i>Measure of Success</i>	<i>2011 Target</i>	<i>2011 actual</i>
<i>Number of research studies/toolkits/publications made available in the sector</i>	9	4
<i>Number of "communications" on products and services (e.g.: media coverage, speaking engagements)</i>	120	170
<i>Number of workshops/conferences/trainings/exchanges that have been conducted</i>	15	18
<i>Number of leaders that have attended WWB workshops promoting targeting of women</i>	153	146

Due to programmatic changes with various project partners, the final publication of three toolkits, a savings publication and a Capital Markets Country Guide were deferred to early 2012. The number of leaders attending WWB workshops was slightly less than anticipated due to last minute visa denials or other personal issues that lead participants to withdraw close enough to the program that there was insufficient time to invite a replacement.

**Objective 4- Scale by rolling out tested innovations and by strengthening capabilities that enable women-focused innovation**

WWB seeks to deliver the well-designed products developed through its incubation work to a wider audience of women, scaling those products with strong partners who have a large presence in their local markets. As 2011 is the first year of the current Strategic Plan, the majority of WWB's work was focused on incubation of innovative products, as reported under Objective 2. In 2011, WWB worked to scale **individual lending (IL)** products with two institutions, HSBC in China and network member, Ujjivan in India.

The work conducted in 2011 with HSBC in China, was the culmination of a four-year downscaling project to expand access to IL products to rural areas. The project began in December 2008 with an institutional diagnostic and market study. In 2009, qualitative research was conducted to help define the lending product and processes that would be responsive to the market. Additionally, WWB provided capacity building support including training which allowed HSBC to roll-out an IL pilot in HBCB, HSBC's first rural bank in Suizhou, Hubei. Thereafter, follow-up visits were made to evaluate the progress of the pilot and make course corrections as well as support the roll-out of the pilot into other HSBC rural banks.

In February and March 2011, the team visited two regions in China to review the loan officer training program and to monitor the development of the IL product in the first rural bank pilot. The team also conducted a review of the roles and responsibilities of IL coordinators, the IL monitoring process, the quality of loan assessments and the productivity levels of the IL group. In December, WWB conducted a close-out visit to transfer assessment tools and discuss next steps.

As a result of WWB's support, HSBC was able to introduce the IL product to small farmers and entrepreneurs in five regions and seven provinces/municipalities, through nine rural banks and six sub-branches. As of October 2011, HSBC had disbursed 6,451 loans with a value of US\$ 95,555,262. The outstanding portfolio as of October 2011 was US\$ 42,400,014 with 4,019 loans and a very low PAR, of 0.49 percent.

HSBC was very pleased with the technical assistance they received and gave WWB an overall satisfaction rating of 9 out of 10. WWB also received praise for the "excellent services" that were provided over the course of the engagement. This included confirmation from the program manager that the launch of the IL product would not have been possible without WWB's support and that they would be interested in receiving additional technical assistance from WWB in the future.

WWB also provided IL support to network member Ujjivan in 2011. In 2008, WWB supported Ujjivan in developing its IL methodology, however, in 2009 Ujjivan postponed roll-out of an IL product until 2010 in order to focus on its group loan expansion. As the limitations of group lending became increasingly evident, i.e., a significant number of clients needed larger loans, Ujjivan decided to fully roll-out the Individual Business Loan to all branches.

In 2011, Ujjivan received technical assistance from WWB in support of developing marketing and graduation strategies from group lending to IL, reviewing roles and responsibilities of loan officers and IL supervisors, and assessing the quality of its current lending process.

**WWB has gauged progress for Objective 4 with the following Measures of Success and has met two out of four 2011 targets.**

<i>Measure of Success</i>	<i>2011 Target</i>	<i>2011 actual</i>
<i>Number of products scaled with network members and partners</i>	1	1
<i>Number of clients accessing products scaled with WWB support</i>	20,028	13,031
<i>Number of women clients accessing products scaled with WWB support</i>	5,724	8,142
<i>Number of targeted network members that have received at least one products input, one CML input and one toolkit input</i>	5	3

The number of clients accessing products scaled with WWB support was lower than expected due to project partners adopting a more cautious approach to IL product introductions. Both institutions took more time to review and/or implement WWB recommendations. WWB did not meet the target of five network members, because three network members (Kenya Women’s Finance Trust, Uganda Finance Trust and Fundación delamujer) did not attend toolkit trainings as planned. However, 13 WWB network members received two inputs and 27 network members received at least one input.

#### **Objective 5- Prove the business case for women**

The culmination of much of WWB’s work and its ability to influence the microfinance industry rests upon serving the financial needs of women and **proving the business case** for doing so. Reinforcing the business case for women, proving its profitability alongside its social impact, is a key priority underlying WWB’s entire Strategy. WWB’s Gender Performance Initiative is an important element in measuring the impact of serving low-income women clients.

The Initiative, launched in 2010, aims to expand and improve the collection of gender-based financial and social performance indicators and ultimately to build the business case for serving women. The expanded set of data will enable MFIs and other industry stakeholders to enhance their understanding of customer behavior, better tailor products and marketing strategies to the specific needs of women and as a result better meet their strategic objectives to achieve financial and social gains.

The Initiative includes: (i) research to identify a comprehensive set of gender-based indicators; (ii) pilot indicators with WWB network members; and (iii) dissemination of lessons learned from the project through various working and advisory groups to ensure that the indicators are socialized and implemented throughout the microfinance industry.

In 2011, WWB (i) developed a complete set of hypotheses linked to indicators for testing, (ii) developed and evaluated an expanded set of Tier 1 and Tier 2<sup>8</sup> indicators based on scientific and operational testing

<sup>8</sup> Tier 1 indicators are indicators that are relatively easy to track and report on and are currently being reported on by MFIs, internally or to other parties. Tier 2 indicators are indicators that are either not currently being tracked industry-wide or present challenges in doing so operationally.

criteria, and (iii) collected feedback on the use and implementation of the gender indicators from various industry players and WWB network members. Please see Annex 6 for more details on the gender performance framework and indicators. WWB then began to test the indicators at one of the three beta sites, with network member Uganda Finance Trust. The second pilot, at Fundación delamujer in Colombia, was launched in the beginning of 2012 and the third and final pilot at Ujjivan, in India, will launch in April 2012.

In 2011, the WWB team conducted two beta site visits to Uganda Finance Trust (FT). The first site visit to FT, which included a high-level MIS diagnostic and review of data sources, information flows, and reporting systems, was completed in August 2011. During the visit WWB interviewed senior managers, branch managers and FT staff in addition to conducting customer visits. The WWB team also reviewed management reports and training manuals, customer files, including account and loan application forms and client monitoring reports, and MIS data. At the end of the visit, the Team presented the key findings, as well as a series of short, medium, and long-term recommendations to FT.

The second site visit to FT took place in early December 2011 and included work to identify solutions for the data collection, input and reporting challenges found during the first site visit, as well as discussion of reporting of Tier 1 indicators. WWB conducted working sessions with key senior managers and staff members, performed a detailed assessment of Account Opening & Loan Application forms and worked with the MIS team to prioritize changes to MIS to best adapt to their data collection needs. WWB will continue to provide remote support to FT and plans to return to Uganda in Q4 2012 to extract the updated data, in order to be able to perform the analysis of the Tier 1 indicator collection.

Aside from developing and piloting gender performance indicators, WWB is also engaged in dialogue with a number of industry stakeholders as to how the focus on gender can be increased within the field of social performance and in the microfinance sector more broadly.

### **Industry Initiatives**

In 2011 WWB invited leading microfinance practitioners, renowned gender and social performance experts, and senior and mid-level MFI managers, representatives from multi- and/or bi-laterals, leading global investors, commercial banks, and rating agencies, to join WWB's Operational Advisory Group (OAG) and Investor Advisory Group (IAG). The objective of both groups is to provide ongoing guidance to the WWB team to ensure that the indicators, analysis, and reporting mechanisms are operationally viable and scientifically rigorous. Additionally, members are encouraged to disseminate results of the initiative to the industry.

WWB also continued as the chair of the Social Performance Task Force Gender Working Group (SPTF GWG), charged with promoting the importance and value of gender as an essential component of social performance management, and for ensuring that gender-based performance continues to remain a priority for the SPTF. In its two years as chair of the GWG, WWB has expanded the group to include more than 25 members, representing important leaders in the industry, social performance experts, investors, donors, and other practitioners. In 2011 WWB also developed a position paper (See Annex 7) that outlines how gender performance should be included in the SPTF's Universal Standards framework.

WWB has also been actively disseminating its work and findings to key industry players in the social performance arena, including the Smart Campaign, Principles for Investors in Inclusive Finance, Moody's, and Planet Finance, among others. In addition, WWB has provided feedback to the SPTF and

the MIX on the inclusion of gender indicators, since the first social performance indicators tool was developed by the MIX.

In an effort to help institutionalize gender sensitive performance indicators, and to establish best practice levels across the industry, WWB also developed a comprehensive Industry Dissemination Strategy. The Strategy, developed in conjunction with WWB's Communications team, outlines the target audiences, key messages, main delivery channels and draft timeline for dissemination. This Strategy will be used to increase the understanding and appreciation of the importance of gender among key industry stakeholders over the course of the Initiative.

**WWB has gauged progress for Objective 5 with the following Measures of Success.**

#### ***Measure of Success***

***For institutions: Return on assets of NMs/partners, especially in women-focused segments vs. others in the sector***

***Average number of products offered by WWB network members and partners***

WWB has not yet established targets to track success within Objective 5. The reasons are two-fold; (i) as detailed above, WWB is currently in the process of establishing what indicators can best be used to measure gender performance and (ii) WWB does not currently collect data from network members on the above indicators. WWB is in the process of expanding the indicators in the Affiliate Performance Update (APU) to collect this information and will share this information with the Core Funders as soon as it is available.

#### **Organizational Enablers**

A key component of the current Strategic Plan is a set of **Organizational Enablers** developed to track WWB's work to (i) **Build Strong Partnerships**, (ii) **Grow and Diversify its Revenue Base** and (iii) **Ensure Organizational Excellence**.

#### **Build Strong Partnerships**

WWB strives to build strong partnerships within and outside of the network, both with network members and strategic partners.

To track success across these areas, WWB developed a network member/partner engagement index. In 2011, WWB aimed to actively engage 70 percent of network members through WWB technical assistance, participation in the toolkit trainings programs and/or participation in the leadership training programs offered through the Center for Microfinance Leadership. WWB reached 69 percent engagement, effectively reaching 27 of 39 network members through these channels. Engagement included technical assistance through savings, youth savings, insurance, individual lending and rural lending products, as well as financial education, social communications and the WWB Gender Performance Initiative. Network members were also engaged through Cash Management and Optimizing Capital Structure toolkit workshops, as well as through the Center's Advanced Leadership, Management Development, Women in Leadership and Coaching Programs.

At year end 2011, WWB administered a network member satisfaction survey with a target satisfaction rating of 8 out of 10. Analysis of the survey results was not completed in time for this report; however, preliminary survey results indicate that the overall satisfaction rating of the 29 respondents was 7.8.

However, if scores from the seven respondents who did not receive WWB services in 2010 and 2011 are excluded, the overall satisfaction rating was higher, with a rating of 8.05. There was notable regional variation with regard to satisfaction levels. Network members in Latin America gave WWB the highest ratings in overall satisfaction, while network members in Asia gave WWB the lowest level of satisfaction. This may be a result of macro-level events in the region, e.g., the microfinance crisis in Andhra Pradesh, which contributed to a decline in network member engagement and subsequently overall satisfaction.

WWB continued its focus on pursuing partnerships with strong microfinance providers that are not network members as a means of expanding to new regions and market segments. In 2011, WWB completed its collaboration with HSBC China to introduce individual lending and conducted work with Hatton National Bank of Sri Lanka. WWB launched a new project with Diamond Bank to assist them in expanding access to savings products for low-income women in Nigeria. WWB also conducted a due diligence visit to NBS Bank of Malawi with the hope of developing a partnership with NBS over the next year.

Lastly, WWB maintained eight strategic alliances in 2011, with a number of banks, NGOs and academic/research institutions. WWB's collaboration with its strategic partners ranged from a Corporate Community Partnership Volunteer Program to provide assistance to network members (with Deutsche Bank), to monitoring and evaluation of the WWB's social communications soap opera (with the International Center for Research on Women). The breadth of expertise that WWB's strategic partners contribute to the organization speaks to the depth of work that WWB undertakes.

### **Grow and Diversify Revenue Base**

In 2011 WWB made significant strides in improving system infrastructure for better financial transparency, creating new operational efficiencies and broadening the organization's funding base. 2011 was a strong fundraising year for WWB, as an exceptionally high number of new grants were executed across a broad range of programs and with a diverse group of donors, nine of them new, major funders. WWB was also able to expand its current group of Core Funders and to increase net assets by securing sufficient funds to cover operating expenses and create a small surplus. A summary chart of WWB's fundraising from 2011 is provided below.

<b>WWB Financial Snapshot 2011</b>	
<b>Value of new multi-year grants executed in FY 2011</b>	<b>US\$ 12,610,287</b>
<b>Number of new major funders in FY 2011</b>	<b>9</b>
<b>Amount earned and released from restricted funding sources</b>	<b>US\$ 8,600,866</b>
<b>Total revenue and support</b>	<b>US\$ 10,955,946</b>
<b>Total organizational expenses</b>	<b>US\$ 10,182,149</b>
<b>Percent revenue and support of total expenses</b>	<b>108%</b>

WWB continues to rely primarily on support from bilaterals/multilaterals and corporations/foundations. Individual giving remains the greatest area of untapped growth potential for WWB and in 2011 WWB launched a new Development Strategy, with a more aggressive individual giving campaign.

More detailed financial information will be available in the 2011 Audited Financial Statements, which will be shared with the Core Funders as soon as the audit is complete.



### **Ensure Organizational Excellence**

During the first semester of 2011, WWB launched a new, more robust account code structure, allowing the organization to improve its forecasting capability, run sophisticated financial analytics and improve the organization's revenue recognition capabilities. WWB's new coding system allows for more transparent fund management while reducing redundancies and the likelihood for entry error.

Building upon coding improvements, WWB also planned for stronger and more efficient internal controls, culminating in the launch of new accounting software on January 1, 2012. The new software allows WWB to streamline duplicative systems and provide all staff with more powerful financial management tools. As a result, WWB realized a significant reduction in time associated with data entry and database reconciliation.

WWB also made important strides toward improving its governance structure. In 2011, the Stichting to Promote Women's World Banking (SWWB) Board of Trustees appointed a new chair, Dr. Jennifer Riria, Group CEO of Kenya Women Holding Company Ltd and gained two new network member Trustees, representing Eastern Europe and Asia. The SWWB Board also welcomed three new independent members with backgrounds in finance, communications and law, with a particular focus on the non-profit sector. Collaboration between WWB's two governance bodies, SWWB and the Friends of WWB/USA (FWWB) Board, was significantly enhanced with the appointment of Beth Roberts, Chair of the FWWB Board of Directors, as the first-ever joint FWWB/SWWB Director. One new committee was established in 2011, the Joint-Board Development Committee, a Committee of both Boards created to support the fundraising efforts of SWWB and FWWB. Additionally, the SWWB Nominating Committee was renamed the SWWB Nominating and Governance Committee, and was given the responsibility of overseeing the SWWB Board's governance guidelines as well as oversight of any WWB network policies or ethical issues.

### **Isis Fund and WWB Holding Company**

WWB achieved its long-standing objective of raising a private equity fund to invest in its network members and other qualifying MFIs. Through its direct investing strategy WWB will meet the microfinance industry's need for investors who can deploy "smart capital," i.e., capital with embedded reputation, knowledge and skill-sets to propel MFIs to the next level of responsible commercialization.

In January 2012, WWB's Isis Fund reached an initial closing of US\$ 30 million from a cross-section of US and non-US Development Finance Funds, Socially Responsible Investment Funds, commercial investors, and Family Office/HNW investors—all committed to contributing to WWB's goal of demonstrating the business case for investing in low-income women. WWB is particularly pleased to include FinnFund as one of the Isis Fund's lead, strategic investors.

Through the Isis Fund, WWB will direct and manage private equity investment in high-performing, women-focused, MFIs worldwide. The Fund will leverage WWB's technical assistance capabilities to allow its investee MFIs to continue to provide client-oriented financial services to increasing numbers of low-income people, especially women, in a rational, sustainable and profitable manner. In so doing, Isis expects to achieve its objective of demonstrating the investment case for conscientious, women-focused microfinance and to set a precedent others will seek to follow. Isis seeks to demonstrate what WWB has long maintained: serving women through microfinance not only yields high social impact but also makes good business sense.

As the General Partner of the WWB Isis Fund, WWB will share in the financial success of the Fund at the end of the Fund's ten-year life, which is expected to provide a significant return to the WWB's asset base and contribute to WWB's long-term financial sustainability.

Another component of WWB's efforts to increase its financial sustainability and ensure the industry remains focused on serving low-income women is the WWB Holding Company (Hold Co). Hold Co is a social-enterprise set up to build on the long-standing success of the WWB Network. WWB Holding plans to directly build or acquire and operate microfinance institutions in underserved regions or countries to deliver reasonably priced microfinance products to low-income women, primarily in rural and semi-rural areas.

Hold Co seeks to become a profitable business capable of achieving its significant social goals. Hold Co's social goals include: being a market leader for responsible microfinance (i.e., reasonably priced and gender-appropriate products and services) directed to reach low-income women, expanding access to asset creation for low-income women, creating women-focused organizations with gender balance in clients and management and building local skills and capacity in the countries of operation.

WWB has chosen Mexico to begin this project to serve as a proof of concept of Hold Co's approach. WWB believes that a compelling business and social case can be made for investing in Mexican women through microfinance and that Mexico offers the best environment to show that this can be done. WWB Mexico has the potential to be a "game changer" for microfinance in Mexico, where the market is characterized by products that are frequently unjustifiably expensive and inflexible. The goal is to provide innovative, reasonably priced financial products to low-income women in underserved markets (initially individual credit, moving as soon as possible to savings and insurance).

In 2011, significant progress was made towards the launch of Hold Co. The WWB Holding team continued to focus its efforts on securing the capital commitments required to launch the first WWB owned and operated microfinance institution in Mexico.

## Conclusion

At the close of 2011, WWB is a stronger organization that is better positioned to have a far reaching impact on the microfinance industry and on the lives of low-income women around the world. With its unique focus on reaching low-income women as clients, innovators and leaders, WWB continues to occupy an important space within the industry. The current Strategic Plan clearly articulates how WWB will continue this work over the next two years and, as the 2011 Progress Report demonstrates, considerable success has already been achieved.

WWB wishes to again thank its Core Funders- AusAID, the Ministry for Foreign Affairs of Finland, the Grand Duchy of Luxembourg and the Swedish International Development Agency- for their strategic input in developing the current Strategic Plan and for their role in contributing to the many achievements of 2011. WWB looks forward to continuing to partner with its Core Funders and for the opportunity to deepen and extend this work in the time ahead.

## Annexes

1. 2011 TARGETS AND RESULTS
2. AFFILIATE PERFORMANCE UPDATE 2011
3. WWB MARKET RESEARCH CATALOG
4. GENDER DIVERSITY PUBLICATION
5. WWB NETWORK MEMBER PLEDGE
6. GENDER PERFORMANCE INITIATIVE – FRAMEWORK AND INDICATORS
7. SPTF GENDER WORKING GROUP POSITION PAPER
8. WWB FUNDING PARTNERS AND SUPPORTERS 2011

Annex 1- 2011 Targets and Results					
	Baseline (end 2010)	Target 2011	Full Year 2011 Actual	Target 2012	Target 2013
<b>1. IDENTIFY WOMEN'S FINANCIAL NEEDS, PRODUCTS &amp; SERVICES</b>					
1A. # of research studies conducted to identify women's needs related to financial products	6	8	9	7	7
1B. # of countries where research studies are conducted	5	6	7	7	7
<b>2. INCUBATE INNOVATIVE PRODUCTS AND SERVICES</b>					
2A. # of innovative products and services tested	8	9	9	11	12
2B. # of institutions where innovative products and services have been introduced	12	16	15	14	15
2C. # of clients accessing products incubated with WWB support <sup>1</sup>	719,287	779,042	908,692	TBD	TBD
2D. % of clients that are women (source -- APU data from GM presentation)	82%	75%	80%	75%	75%
<b>3. CODIFY &amp; DISSEMINATE KNOWLEDGE TO FINANCIAL INSTITUTIONS</b>					
3A. # of research studies/toolkits/publications made available in the sector	4	9	4	3	3
3B. # of "communications" on key messages, products and services (# opportunities for WWB to promote key messages: speaking engagements, conferences/panels, WWB-authored articles, collaborative bylines and in-depth media coverage)	New	120	170	150	200
3C. # workshops/conferences/trainings/ exchanges that have been conducted	8	15	18	15	15
3D. # of leaders that have attended WWB workshops promoting targeting of women	87	153	146	145	168
<b>4. SCALE BY: ROLLING OUR TESTED INNOVATIONS AND STRENGTHENING INSTITUTIONAL CAPABILITIES TO ENABLE WOMEN-FOCUSED INNOVATION</b>					
4A. # of products scaled with NMs/partners	4	1	1	2	3
4B. # of clients accessing products scaled with WWB support	47,471	20,028	13,031	TBD	TBD
4C. # of women clients accessing products scaled with WWB support	New	5,724	8,142	TBD	TBD
4D. Number of targeted NMs that have received at least 1 products input, 1 CML input and 1 toolkit input	New	5	3	5	5
<b>5. PROVE THE BUSINESS CASE FOR WOMEN</b>					
5A. For institutions: Return on assets of NMs/partners, especially in women-focused segments, vs. others in the sector; client growth across segments	New		TBD - Based on 2011 Performance		
5B. For clients: Average number of products offered by WWB network members and partners	New		TBD - Based on 2011 Performance		
<b>ORGANIZATIONAL ENABLERS - BUILD STRONG PARTNERSHIPS</b>					
P-A. NM/Partner engagement index	New	70%	69%	70%	70%
P-B. NM/Partner satisfaction rating	New	8 out of 10	7.8	8 out of 10	8 out of 10
P-C. Percent of segments and targeted region expanded to	Refocused towards new business model	2	1	2	2
P-D. # of strategic alliances	2	5	8	3	4

	Baseline (end 2010)	Target 2011	Full Year 2011 Actual	Target 2012	Target 2013
<b>ORGANIZATIONAL ENABLERS - GROW AND DIVERSIFY REVENUE BASE</b>					
R-A:					
Total value of all executed new grants (across all fiscal years)	4,917,334	N/A	13,368,507	12,900,000	18,400,000
Unrestricted income is greater than unrestricted expenses (Change in unrestricted net assets)	(1,664,404)	N/A	774,797	500,000	500,000
R-B: % of network member membership fees received (June - June Schedule)	71%	100%	64%	100%	100%
R-C: Value of purpose restricted grants earned for core expenses	N/A	1,808,191	1,810,732	1,500,000	1,500,000
R-D: Number of individuals contributing \$5,000 or more	29	30	24	TBD	TBD
R-E: % Satisfaction survey of funders	N/A	N/A	Survey to be developed in 2012	launch 2012	4.75 of 6
<b>ORGANIZATIONAL ENABLERS - ENSURE ORGANIZATIONAL EXCELLENCE</b>					
OE-A: Expenditure by program area	6,566,292	5,000,000	7,132,756	TBD	TBD
OE-B: % of general and administrative expenses vs. total budget	13%	15%	12%	20%	15%
OE-C: total program expenses / women reached	N/A	\$8 to 1 woman	TBD	N/A	N/A
OE-D: Overall satisfaction from staff survey	4.08 of 6	4.5 of 6	restructured leadership team	4.75 of 6	4.75 of 6
OE-F: Internal systems rated by staff for accuracy and improvement	N/A	N/A	To be incorporated into staff satisfaction survey (OE-F)	N/A	N/A
OE-G: Individual \$ contributions from FWWB board members <sup>1</sup>	182,450	150,000	137,550	250,000	250,000

**Annex 2- Affiliate Performance Update  
Women's World Banking**

2010 Data

Network Member	Gross Portfolio Outstanding	Savings	PAR > 30 Days*	Write-Offs / Avg Portfolio *	Operating Cost Ratio(Operat ing expense/ loan portfolio)	ROA	ROE	# Active Borrowers	# of Savers	# Active Clients	Average Loan Size*	Average loan balance per borrower / GNI per capita*	% Women Clients**	% Women Staff	% Women Managers	% Women Board	Financial Expense s/Assets	Yield on gross portfolio (nominal)
<b>Asia</b>																		
Bangladesh - ASA	\$534,239,803	\$206,534,840	0.0%	1.0%	13.1%	10.0%	16.7%	4,467,497	0	4,467,497	120	19%	89%	57%	0%	12%	1.6%	45.4%
Bangladesh - Delta Life	\$1,517,000	\$28,130,000						52,916		1,278,776	\$150	22%	63%	16%	0%	24%		
Bangladesh - SHAKTI	\$37,667,858	\$16,495,186	1.4%	0.0%	13.2%	1.4%	7.2%	457,951	497,845	455,671	\$98	15%	98%	34%	54%	44%		14.9%
India - FWWB India	\$65,099,000		0.4%	0.7%	1.0%	1.2%	13.0%	1,141,528	0	1,141,528	\$120		100%	65.00%	100.00%	72.00%		
India - SEWA	\$11,642,037	\$26,909,198	17.5%	0.0%	14.2%	0.5%	3.8%	30,293	361,639	361,639	384	26%	100%	92%	100%	100%		7.9%
India - SHARE	\$465,066,792	\$0	52.1%	10.2%	6.8%	0.3%	2.4%	2,840,122	0	2,840,122	164	0%	100%	3%	27%	0%	19.3%	3.2%
India - Spand	\$778,869,436	\$0	47.8%	3.7%	6.1%	-0.3%	-1.9%	4,188,655	0	4,188,655	186	13%	88%	1%	21%	63%	17.4%	0.1%
India - Ujjivan, India	\$140,798,301	\$23,410,670	1.0%	0.2%	16.4%	2.0%	10.1%	847,671	842,495	991,584	166	11%	100%	22%	25%	10%	8.5%	11.5%
Mongolia - XacBank	\$263,594,653	\$166,857,857	1.6%	0.1%	7.1%	1.6%	19.8%	75,736	190,486	340,348	3,480	162%	43%	63%	33%	20%	7.7%	13.9%
Pakistan - KASHF Foundation	\$38,157,929							296,608		296,601	129	12%	100%	45%	38%	60%		
Pakistan - KASHF Bank	\$5,293,246	\$9,070,106	3.3%	5.6%	82.6%	-16.1%	-44.4%	17,445	78,476	78,476	303	29%	10%				5.5%	-82.5%
Philippines - CARD	\$44,713,331	\$35,083,134	1.8%	0.6%	35.3%	3.6%	28.3%	267,282	495,489	478,201	167	6%	100%	57%	62%	71%	3.5%	47.5%
Philippines - NWF	\$11,135,340	\$6,203,178	3.5%	0.7%	33.6%	1.9%	7.0%	85,808	92,484	85,808	130	6%	100%	55%	50%	83%	1.8%	7.4%
Sri Lanka - Janashakthi	\$3,257,240	\$3,009,038	1.2%	0.0%	20.2%	2.5%	5.8%	15,840	72,073	72,073	206	9%	100%	100%	100%	100%	2.0%	20.1%
Sri Lanka - SEEDS	\$33,842,769	\$28,455,690	30.9%	0.0%	11.2%	0.3%	2.6%	149,146	245,561	245,561	227	10%	63%	42%	11%	10%	6.0%	10.3%
<b>Asia Total</b>	<b>\$2,434,894,735</b>	<b>\$550,158,897</b>	<b>34.2%</b>	<b>3.6%</b>	<b>20.1%</b>	<b>0.7%</b>	<b>5.4%</b>	<b>14,934,498</b>	<b>2,876,548</b>	<b>17,322,540</b>	<b>\$520</b>	<b>35%</b>	<b>90%</b>	<b>46.6%</b>	<b>44.36%</b>	<b>47.79%</b>	<b>7.03%</b>	<b>8.30%</b>
<b>Europe/MENA</b>																		
Bosnia and Herzegovina - MI-BC	\$19,687,643		9.8%	10.3%	12.6%	-3.4%	-11.8%	16,195	0	16,195	1,216	26%	100%	58%	34%	60%	5.3%	20.8%
Egypt - LEAD	\$27,788,981		2.4%	0.0%	18.4%	9.1%	16.8%	194,392	0	194,392	143	6%	82%	32%	0%	10%	4.7%	39.7%
Jordan - Microfund for Women	\$20,156,425		0.9%	1.2%	24.3%	9.4%	17.9%	56,646	0	56,646	356	8%	97%	74%	66%	29%	3.5%	37.7%
Morocco - Al Amana	\$295,347,932		7.8%	3.5%	8.4%	0.4%	3.3%	339,408	0	339,408	870	28%	40%	51%	25%	33%	4.8%	20.0%
Russia - RWMN	\$7,981,756		20.1%	4.0%	25.3%	-4.6%	-33.8%	3,258	0	3,258	2,450	22%	70%	80%	83%	43%	10.0%	37.2%
Tunisia - ENDA	\$56,367,356		0.3%	0.8%	17.0%	6.4%	19.9%	156,852	0	156,852	359	12%	70%	51%	31%	33%	3.8%	29.9%
<b>Europe/MENA Total</b>	<b>\$427,330,093</b>	<b>\$0</b>	<b>6.5%</b>	<b>3.1%</b>	<b>17.7%</b>	<b>2.9%</b>	<b>2.0%</b>	<b>766,751</b>	<b>0</b>	<b>766,751</b>	<b>\$777</b>	<b>23%</b>	<b>62%</b>	<b>57.5%</b>	<b>39.79%</b>	<b>34.67%</b>	<b>5.37%</b>	<b>30.89%</b>
<b>LAC</b>																		
Bolivia - FUNBODEM	\$15,021,916	\$0	2.3%	1.3%	14.4%	3.0%	11.9%	8,631	0	8,631	1,740	98%	59%	57%	33%	100%	6.5%	22.7%
Brazil - Banco da Familia	\$9,494,163	\$0	2.1%	0.0%	27.1%	10.2%	18.0%	7,858	0	7,858	1,208	12%	56%	90%	0%	57%	4.8%	42.2%
Chile - Banefe Banco Santand	\$185,000,000							99,000		99,000			49%					
Colombia - FMM Bucaramanga	\$150,684,087	\$0	2.9%	1.9%	20.1%	7.9%	24.8%	187,636	0	187,636	803	12%	68%		50%	67%	6.5%	36.9%
Colombia - FMM Popayán	\$274,993,053	\$0	1.8%	2.7%	12.6%	14.1%	33.8%	352,592	0	352,592	780	15%	67%	54%	33%	86%	6.5%	33.5%
Colombia - WWB Colombia Cali	\$282,241,351	\$0	6.5%	4.2%	15.9%	5.3%	19.4%	203,723	0	203,723	1,385	23%	68%	58%	47%	100%		
Dominican Republic - ADOPEM	\$57,150,904	\$20,855,783	3.3%	0.6%	27.5%	6.7%	30.5%	131,332	155,775	131,332	435	20%	75%	45%	67%	67%	6.4%	43.4%
Mexico - FinComún	\$55,248,784	\$43,647,731	11.4%	10.2%	57.7%	1.3%	4.8%	68,144	145,218	145,218	811	8%	53%	44%	25%	10%	4.6%	74.1%
Paraguay - Interfisa	\$83,879,590	\$77,113,651	5.1%	3.6%	14.6%	3.3%	22.3%	66,244	13,889	80,133	1,266	44%	30%		27%	0%	7.3%	24.9%
Peru - Caja Municipal de Ah	\$560,242,349	\$519,730,961	5.8%	1.6%	11.6%	2.7%	18.5%	188,089	397,128	460,407	2,979	60%	49%	51%	33%	20%	5.2%	25.2%
Peru - MIBANCO	\$1,301,197,865	\$1,106,496,441	6.6%	6.7%	12.8%	2.4%	28.0%	401,988	390,941	581,128	3,237	65%	64%	48%	35%	0%	4.5%	27.6%
<b>LAC Total</b>	<b>\$2,975,154,062</b>	<b>\$1,767,844,567</b>	<b>5.7%</b>	<b>4.6%</b>	<b>21.4%</b>	<b>5.7%</b>	<b>21.2%</b>	<b>1,715,237</b>	<b>1,102,951</b>	<b>2,257,658</b>	<b>\$2,445</b>	<b>49%</b>	<b>60%</b>	<b>55.8%</b>	<b>35.10%</b>	<b>50.67%</b>	<b>5.80%</b>	<b>36.70%</b>
<b>Sub-Saharan Africa</b>																		
Bénin - PADME	\$37,701,552	\$8,740,000	5.8%	2.2%	13.3%	3.9%	9.5%	29,100	49,723	49,723	758	104%	63%	59%	19%	0%	2.0%	21.8%
Burundi - CECM	\$3,616,818	\$5,319,075	15.5%	0.0%	21.0%	3.4%	15.4%	14,169	43,554	43,554	255	155%	74%	53%	50%	100%		
Ethiopia - Peace	\$2,642,360	\$745,790	5.2%	0.0%	10.7%	3.0%	7.6%	17,541	20,309	17,541	154	52%	82%	17%	40%	57%	0.0%	0.0%
Ghana - WWBG	\$7,872,000	\$14,401,000	49.0%		56.4%			5,254	91,706	91,706	\$1,659	128%	55%	63%	40%			
Kenya - EBL	\$924,993,804	\$1,179,727,385	6.7%	3.5%	13.5%	6.4%	28.6%	524,902	5,405,732	4,749,537	1,762	218%	37%	35%	22%	17%	1.6%	17.4%
Kenya - KWFT	\$152,136,208	\$76,366,964	15.5%	0.9%	21.8%	1.6%	12.2%	413,040	413,040	413,070	368	34%	100%	55%	40%	81%	5.4%	33.4%
The Gambia - GAWFA	\$345,000	\$226,000	61.1%	0.0%	61.1%	-7.5%	-21.6%	14,789	49,047	49,047	\$495	129%	96%	41%	50%	88%	4.2%	48.3%
Uganda - UFT	\$14,683,398	\$9,641,877	2.2%	1.6%	41.3%	0.9%	5.4%	22,585	116,408		\$650	0%					4.23%	48.31%
<b>Sub-Saharan Africa Total</b>	<b>\$1,143,991,140</b>	<b>\$1,295,168,091</b>	<b>8.10%</b>	<b>1.0%</b>	<b>29.9%</b>	<b>1.7%</b>	<b>8.2%</b>	<b>1,041,380</b>	<b>6,189,519</b>	<b>5,414,178</b>	<b>\$1,520</b>	<b>188%</b>	<b>43%</b>	<b>45.1%</b>	<b>40.53%</b>	<b>54.67%</b>	<b>2.91%</b>	<b>28.21%</b>
<b>Total</b>	<b>\$6,981,370,029</b>	<b>\$3,613,171,555</b>	<b>14.69%</b>	<b>3.9%</b>	<b>22.2%</b>	<b>2.6%</b>	<b>9.8%</b>	<b>18,457,866</b>	<b>10,169,018</b>	<b>25,761,127</b>	<b>\$1,495</b>	<b>68%</b>	<b>77%</b>	<b>50.3%</b>	<b>40.39%</b>	<b>47.74%</b>	<b>5.60%</b>	<b>23.77%</b>

\* Weighted based on Gross Portfolio Outstanding

\*\* Weighted based on # Active Clients





## WWB Market Research Catalog

### Updated: March 2012

---

#### Table of Contents

<b>Section I: Quantitative Research Studies</b>	<b>2</b>
A. <i>Competitive Positioning Studies</i>	2
B. <i>Market Sizing Studies</i>	3
C. <i>Impact Assessment</i>	3
D. <i>Customer Delight</i>	3
E. <i>Remittances</i>	4
<b>Section II: Qualitative Research Studies</b>	<b>5</b>
A. <i>Competitive Strategy</i>	5
B. <i>Customer Delight</i>	5
C. <i>Gender</i>	6
D. <i>Housing Loans</i>	7
E. <i>Individual Loans</i>	7
F. <i>Microinsurance</i>	8
G. <i>Remittances</i>	8
H. <i>Women's Savings</i>	8
I. <i>Youth Savings</i>	10
J. <i>Technology</i>	11

## Section I: Quantitative Research Studies

### A. Competitive Positioning Studies

WWB fielded four quantitative surveys in four Network Members between February 1999 and June 2000. In each case both current and former customers were interviewed. While each survey was tailored to the contextual needs of each Network Member, they all tackled the following thematic areas:

Current customers:

- When choosing to borrow, what product/service delivery mechanism attributes are more important than others (importance)?
- How satisfied are customers with the product/service delivery mechanism attributes of the affiliate (satisfaction) and how does the affiliates' stack up against competitors (competitive advantage/disadvantage)?
- What is the nature of demand for new products and services (penetration of services, unmet demand)?
- What has been the impact of the loan?

Drop-out customers:

The above topics but with additional questions that deepen the understanding of the competition specifically:

- What were the reasons for stopping borrowing from the affiliate?
- How many have borrowed from which competitors? Of those who had, what is their level of satisfaction with competitors?

These surveys provided Network Member management with a panoramic perspective on their market position and enabled them to make decisions on how to modify their loan product (s)/service delivery mechanism attributes to achieve competitive advantage.

No.	Network Member	Country	Year	Current Customers		Drop-out Customers		Staffing	W Drive Location	Online Publication
				# of Interviewees	Statistical Significance	# of Interviewees	Statistical Significance			
1	CMM Medellin	Colombia	1999	494	+/- 4.5%	171	+/- 6%	Inez Murray	<a href="#">link</a>	<a href="#">link</a>
2	CMM Colombia Bogotá	Colombia	1999	372	+/- 5%	131	+/- 6%	Inez Murray & Guadalupe Lopez	<a href="#">link</a>	
3	Shakti Foundation	Bangladesh	2000	515	+/- 4%	541	+/- 4%	Inez Murray & Guadalupe Lopez	<a href="#">link</a>	
4	UFT	Uganda	2000	507	+/- 4%	500	+/- 4%	Inez Murray & Guadalupe Lopez	<a href="#">link</a>	

### B. Market Sizing Studies

The purpose of market sizing research studies is to assess the market potential for growth in a Network Member's geographic area. This type of research can also be used to inform and justify a Network Member's growth assumptions (volume of portfolio and number of clients) and business plans and to demonstrate the soundness of growth projections to investors. The research also generates implications for how to prioritize new product categories for deepening market penetration.

No.	Network Member	Country	Year	Current Customers		Staffing	W Drive Location	Online Publication
				# of Interviewees	Statistical Significance			
1	UFT	Uganda	2004	1269	+/- 4%	Inez Murray & Guadalupe Lopez	<a href="#">link</a>	n/a

### C. Impact Assessment

The purpose of the following impact assessment studies was to understand how customers of microfinance institutions use financial services and if and how these services impact themselves, their families and their communities.

No.	Network Member	Country	Year	Current Customers		Staffing	W Drive Location	Online Publication
				# of Interviewees	Statistical Significance			
1	FMM Popoyan	Colombia	2009	100	n/a	Accenture Development Partnerships (ADP)	<a href="#">link</a>	<a href="#">link</a>
2	Muthoot Fincorp	India	2009	112	n/a	Accenture Development Partnerships (ADP)	<a href="#">link</a>	

### D. Customer Delight

The purpose of customer delight research studies can be to help a Network Member assess customer delight and/or to determine ways that the Network Member can increase customer delight. This type of research can also include a component of designing systems to assess customer delight on an ongoing basis. WWB has conducted both quantitative and qualitative customer delight studies.

No.	Network Member	Country	Year	Current Customers		Staffing	W Drive Location	Online Publication
				# of Interviewees	Statistical Significance			
1	Fundacion delamujer	Colombia	2007	1394	n/a	Celina Kawas & Yasmina McCarty	<a href="#">link</a>	n/a

### E. Remittances

The objectives of the quantitative demand research are to:

- Understand the sources, amounts and frequencies of remittances to the Gambia
- Understand uses of remittances
- Understand ways of collecting remittances
- Understand savings behavior, including mechanisms used, sources, amounts, frequencies and uses

<i>No.</i>	<i>Network Member</i>	<i>Country</i>	<i>Year</i>	<i>Current Customers</i>		<i>Staffing</i>	<i>W Drive Location</i>	<i>Online Publication</i>
				<i># of Interviewees</i>	<i>Statistical Significance</i>			
1	Nationwide Feasibility Study	The Gambia	2011	586	n/a	Mariama Ashcroft, Manuel Orozco & Anjali Banthia	<a href="#">link</a>	n/a

## Section II: Qualitative Research Studies

### A. Competitive Strategy

The purpose of competitive positioning research studies is to understand how a Network Member can differentiate itself from its competitive set through modifications of its loan product(s), service delivery mechanism (transaction costs, customer service, branch design etc.) and marketing and promotion strategies.

No.	Network Member	Country	Year	Focus Area	Tools		Staffing	W Drive Location	Online Publication
					No. FGs	No. IDIs			
1	WDSCU	Zimbabwe	2003	Diagnosis and Strategy for Zimbabwe Industry	3	19	Mariama Ashcroft, Harsha Thadhani & Ursule Yekpe-Koublanou	<a href="#">link</a>	n/a
2	Banco da Familia	Brazil	2005	Strategy for Entry into Caxias Region	10	6	Inez Murray & Yasmina McCarty	<a href="#">link</a>	n/a
3	FWWB	India	2008	Strategy for Formalization	0	31	Anjali Banthia, CJ Juhasz & Anna Gincherman	<a href="#">link</a>	n/a
4	SEEDS	Sri Lanka	2007	Analysis of Product Offering vs. Competition	16	0	Inez Murray, Harsha Thadhani-Rodrigues	<a href="#">link</a>	n/a

### B. Customer Delight

The purpose of customer delight research studies can be to help a Network Member assess customer delight and/or to determine ways that the Network Member can increase customer delight. This type of research can also include a component of designing systems to assess customer delight on an ongoing basis. WWB has conducted both quantitative and qualitative customer delight studies.

No.	Network Member	Country	Year	Focus Area	Tools		Staffing	W Drive Location	Online Publication
					No. FGs	No. IDIs			
1	Mi-BOSPO	Bosnia & Herzegovina	2002	n/a	11	0	Inez Murray (Outsourced to Prism Research Company)	<a href="#">link</a>	n/a
2	FWWB	India	2004	n/a	11	0	Inez Murray &	<a href="#">link</a>	n/a

							Yasmina McCarty		
3	Fundacion delamujer	Colombia	2007	n/a	12	0	Celina Kawas & Yasmina McCarty	<a href="#">link</a>	n/a
4	FinComun	Mexico	2006	n/a	10	0	Celina Kawas & Yasmina McCarty	<a href="#">link</a>	n/a

### C. Gender

The objectives of our gender studies are to:

- Understand how gender identities (what it means to be a woman or a man in the local cultural context) and intra-household dynamics, including power relations, roles and responsibilities and decision-making processes between men and women, influence:
  - Women's constraints to having their own business and growing it, including their capacity to invest both their time and money in their businesses and on family needs
  - The allocation of earnings and resources within the household
  - How decisions about finances and financial services are made within the household
  - Savings, investment (business, assets and education) and expenditure strategies by level of poverty
- Explore the gender responsiveness and women's satisfaction levels of current financial products, service delivery, staff interaction and branch experience offered by the partner institution and its competitors

No.	Network Member	Country	Year	Focus Area	Tools		Staffing	W Drive Location	Online Publication
					No. FGs	No. IDIs			
1	ADOPEM	Dominican Republic	2002	n/a	15	24	Inez Murray, Celina Kawas & Marla Gitterman	<a href="#">link</a>	<a href="#">link</a> <a href="#">link</a>
2	Al Amana	Morocco	2003	n/a	12	19	Inez Murray & Marla Gitterman	<a href="#">link</a>	<a href="#">link</a>
3	Mi-BOSPO	Bosnia & Herzegovina	2006	Branding	11	16	Inez Murray, Celina Kawas & Yasmina McCarty	<a href="#">link</a>	n/a
4	Microfund for Women	Jordan	2006	n/a	14	19	Inez Murray & Celina Kawas	<a href="#">link</a>	n/a
5	Kashf Foundation	Pakistan	2008	n/a	12	16	Inez Murray & Anjali Banthia	<a href="#">link</a>	Produced but not published
6	ENDA Inter-Arabe	Tunisia	2008	n/a	14	11	Inez Murray, Janiece Greene & Elizabeth Lynch	<a href="#">link</a>	n/a
7	UFT	Uganda	2009	Rural Finance for Women	8	8	Janiece Greene & Elizabeth Lynch	<a href="#">link</a>	<a href="#">link</a>

8	Nationwide Feasibility Study	The Gambia	2011	n/a	7	12	Mariama Ashcroft & Anjali Banthia	<a href="#">link</a>	n/a
---	------------------------------	------------	------	-----	---	----	-----------------------------------	----------------------	-----

#### D. Housing Loans

The purpose of housing loans research studies is to understand the demand for housing loans and help the Network Member identify key product attributes to include in the design of housing loans.

No.	Network Member	Country	Year	Focus Area	Tools		Staffing	W Drive Location	Online Publication
					No. FGs	No. IDIs			
1	Microfund for Women	Jordan	2008	Home Improvement Loans	13	0	Celina Kawas & Elizabeth Lynch	<a href="#">link</a>	n/a
2	Mi-BOSPO	Bosnia & Herzegovina	2009	n/a	12	0	Elizabeth Lynch & Anjali Banthia	<a href="#">link</a>	n/a
3	Fundacion delamujer	Colombia	2009	n/a	8	0	Celina Kawas & Alan Vainrub	<a href="#">link</a>	n/a

#### E. Individual Loans

The purpose of individual loans research studies is to understand the demand for individual loans and help the Network Member identify key product attributes to include in the design of individual loans.

No.	Network Member	Country	Year	Focus Area	Tools		Staffing	W Drive Location	Online Publication
					No. FGs	No. IDIs			
1	KWFT	Kenya	2002	n/a	16	0	Inez Murray & Guadalupe Lopez	<a href="#">link</a>	n/a
2	GAWFA	The Gambia	2003	n/a	13	0	Inez Murray & Marla Gitterman	<a href="#">link</a>	n/a
3	Kashf Foundation	Pakistan	2004	n/a	13	0	Inez Murray & Yasmina McCarty	<a href="#">link</a>	n/a
4	Muthoot Fincorp	India	2007	n/a	12	0	Celina Kawas & Elizabeth Lynch	<a href="#">link</a>	n/a
5	HSBC	China	2009	Rural Individual Loans	14	0	Celina Kawas & Alan Vainrub	<a href="#">link</a>	n/a

6	Interfisa	Paraguay	2011	Rural Individual Loans for Women	12	0	Celina Kawas & Maria Sanchez	<a href="#">link</a>	n/a
---	-----------	----------	------	----------------------------------	----	---	------------------------------	----------------------	-----

#### F. Microinsurance

The purpose of microinsurance research studies is to understand the demand for microinsurance and help the Network Member identify key product attributes to include in the design of microinsurance. This type of research can also be used to assess the competitive landscape for microinsurance.

No.	Network Member	Country	Year	Focus Area	Tools		Staffing	W Drive Location	Online Publication
					No. FGs	No. IDIs			
1	Microfund for Women	Jordan	2007	n/a	8	0	Anna Gincherman	<a href="#">link</a>	n/a
2	Fundacion delamujer	Colombia	2008	n/a	16	0	Alan Vainrub & Erin Markel	<a href="#">link</a>	n/a

#### G. Remittances

The purpose of remittance research studies is to understand the demand for financial services related to sending or receiving money from family members residing elsewhere.

No.	Network Member	Country	Year	Focus Area	Tools		Staffing	W Drive Location	Online Publication
					No. FGs	No. IDIs			
1	ADOPEM	Dominican Republic & United States	2007	Remittances from New York to the Dominican Republic	11	0	Celina Kawas & Harsha Thadhani	<a href="#">link</a>	n/a
2	Hatton National Bank	Sri Lanka & UAE	2010	Remittances from Dubai to Sri Lanka	16	0	Celina Kawas & Anjali Banthia	<a href="#">link</a>	n/a
3	Nationwide Feasibility Study	The Gambia & Spain	2011	Industry & Demand Research	21	20	Mariama Ashcroft, Manuel Orozco, Peter McConaghy, Anjali Banthia	<a href="#">link</a>	n/a

#### H. Women's Savings



The purpose of savings research studies is to understand the demand for savings and help the Network Member identify key product attributes to include in the design of savings. Savings research has also been done to:

- Gain both confirmatory and new insight into the nature of micro and small entrepreneurs’ demand for savings products
- Understand use of and satisfaction with current savings mechanisms (informal, semi-formal, formal)
- Understand in detail what product and service delivery mechanism attributes savers value when choosing to save in an institution
- Understand what the Network Member will need to do in order for it to be perceived as a ‘secure’ place to save
- Understand the Network Member’s potential competitive advantages and disadvantages in this product category

No.	Network Member	Country	Year	Focus Area	Tools		Staffing	W Drive Location	Online Publication
					No. FGs	No. IDIs			
1	CARD Bank	Philippines	2001	n/a	0	275	Saiful Islam & Harsha Thadhani-Rodrigues	lost	n/a
2	Bank DeGang Bali	Indonesia	2003	Long-Term Savings Product Design	25	0	Inez Murray & Marla Gitterman	<a href="#">link</a>	“Safe Place to Save,” 2008 (unpublished) <i>Scaling Savings: Why Serving Women is key.</i> Inez Murray. Enterprise Development & Microfinance. An International Journal. Volume 22. Number 2. June 2011 Practical Action Publishing
3	ADOPEM	Dominican Republic	2003	n/a	12	0	Inez Murray, Celina Kawas & Marla Gitterman	<a href="#">link</a>	
4	PADME	Benin	2006	n/a	13	0	Inez Murray & Ursule Ukepe	<a href="#">link</a>	
5	Kashf Foundation	Pakistan	2007	n/a	14	0	Inez Murray	<a href="#">link</a>	
6	Fundacion WWB	Colombia	2009	‘Safe Places to Save’	16	0	Inez Murray & Alan Vainrub (with McKinsey and Co.)	<a href="#">link</a>	n/a
7	Kashf Foundation & Kashf Microfinance Bank	Pakistan	2010	‘Safe Places to Save’ – Initial Savings Diagnostic Research	8	0	Inez Murray, Jennifer McDonald, Kate Holloway, Janiece Greene, Cathleen Tobin & Anjali Banthia	<a href="#">link</a>	n/a
8	Kashf Foundation & Kashf Microfinance Bank	Pakistan	2010	‘Safe Places to Save’ - Marketing, Customer Care	7	0	Inez Murray & Jennifer McDonald	<a href="#">link</a>	n/a

				and Delivery Research					
9	KWFT	Kenya	2010	'Safe Places to Save' – Initial Savings Diagnostic Research	18	10	Janiece Greene, Cathleen Tobin & Anjali Banthia	<a href="#">link</a>	n/a
10	Kashf Foundation & Kashf Microfinance Bank	Pakistan	2010	'Safe Places to Save' - Branding Research	4	0	Kate Holloway, Jennifer McDonald & Cathleen Tobin	<a href="#">link</a>	n/a
11	Kashf Foundation & Kashf Microfinance Bank	Pakistan	2010	'Safe Places to Save' – Mid-term Pilot Evaluation	7	0	Anjali Banthia, Jennifer McDonald, Ben Shell	<a href="#">link</a>	n/a
12	KWFT	Kenya	2011	'Safe Places to Save' – Marketing	n/a	n/a	Janiece Greene, Cathleen Tobin, IDEO partners	<a href="#">link</a>	n/a
13	Kashf Foundation & Kashf Microfinance Bank	Pakistan	2011	'Safe Places to Save' – Pilot Evaluation	2	11	Anjali Banthia, Shazreh Hussain, Jennifer McDonald,	<a href="#">link</a>	n/a
14	SEWA Bank	India	2011	Project Samruddhi – Customer & Saathi Research	7	18	Anjali Banthia, Cathleen Tobin, Julie Slama	<a href="#">link</a>	n/a
15	Diamond Bank	Nigeria	2012	Mobile phone-enabled savings	14	4	Inez Murray, Anjali Banthia, Jennifer McDonald	<a href="#">link</a>	n/a

### ***I. Youth Savings***

The purpose of savings research studies is to understand the demand for savings and help the Network Member identify key product attributes to include in the design of savings. Savings research has also been done to:

- Gain both confirmatory and new insight into the nature of micro and small entrepreneurs' demand for savings products
- Understand use of and satisfaction with current savings mechanisms (informal, semi-formal, formal)
- Understand in detail what product and service delivery mechanism attributes savers value when choosing to save in an institution

- Understand what the Network Member will need to do in order for it to be perceived as a ‘secure’ place to save
- Understand the Network Member’s potential competitive advantages and disadvantages in this product category

No.	Network Member	Country	Year	Focus Area	Tools		Staffing	W Drive Location	Online Publication
					No. FGs	No. IDIs			
1	XacBank	Mongolia	2008	Savings and Financial Literacy for Girls	18	16	Inez Murray, Janiece Greene & Anjali Banthia	<a href="#">link</a>	<a href="#">link</a>
2	ADOPEM	Dominican Republic	2009	Savings and Financial Literacy for Girls	10	11	Celina Kawas & Alan Vainrub	<a href="#">link</a>	n/a
3	PEACE	Ethiopia	2010	Savings and Financial Literacy for Girls	14	0	Anna Gincherman, Ben Shell & Mariama Ashcroft	<a href="#">link</a>	n/a
4	KWFT	Kenya	2011	Savings and Financial Literacy for Girls	8	0	Janiece Greene, Ben Shell	<a href="#">link</a>	n/a

### J. Technology

The purpose of technology research studies are to:

- Define the processes using / as entrepreneurs to record and analyze financial information.
- Understand the key drivers and / or the barriers that exist for microenterprises as financially manage their business.
- Understanding the demand of technology to enhance their financial management capacity.
- Define high-level functional requirements in the design of technological tools for financial management.

No.	Network Member	Country	Year	Focus Area	Tools		Staffing	W Drive Location	Online Publication
					No. FGs	No. IDIs			
1	CMM Medellin	Colombia	2007	Technology for the Financial Management of Microenterprises	4	0	Celina Kawas, Hans Dellien & Nandini Pandey	<a href="#">link</a>	n/a

## **Annex 4- Gender Diversity Publication**

**What if it had been Lehman Brothers and Sisters?**

**The importance of building gender diverse microfinance institutions**





# What if it had been Lehman Brothers & Sisters?

The importance of building gender diverse microfinance institutions

BY

ELIZABETH LYNCH

WOMEN'S WORLD BANKING







# Organizational Gender Assessment (OGA) Methodology

WWB designed the **Organizational Gender Assessment (OGA)** methodology in 2008 in response to a decreasing trend of women in senior management and governance within its global network of microfinance institutions. An institution may undertake an OGA for any number of reasons: a belief that an institutional commitment to diversity directly relates to its mission of women's empowerment, challenges with employee attrition, investor priorities, other external pressures, or a belief that a more diverse workforce means a more innovative, dynamic organization. The assessment is designed to gather and analyze data and determine what actions need to be taken to improve and maintain workforce diversity in the organization. Drawing on best practices from the corporate and development sectors, including WWB's network member institutions, the OGA helps MFIs to diagnose the obstacles, challenges and opportunities faced by women staff members and leaders, to eliminate those obstacles and create an inclusive work environment for all.

The **OGA methodology** focuses on four areas in which women may face challenges in the workplace:

- **Recruitment**—Assess recruitment methods to understand whether there are issues that may affect the organization's ability to attract both male and female candidates.
- **Retention**—Analyze policies, organizational culture and employee experiences to understand whether there are significant differences between the way men and women experience their day-to-day work.
- **Promotion**—Review requirements for promotion and current evaluation procedures and their impact on male and female staff.
- **Professional Development**—Assess both classroom and on-the-job training offerings to understand how available and responsive they are to the needs of both male and female staff.

*A Note on the Title: The idea first appeared in an article by Nicholas Kristof: "At the recent World Economic Forum in Davos, Switzerland, some of the most interesting discussions revolved around whether we would be in the same mess today if Lehman Brothers had been Lehman Sisters."*



**Women's World Banking (WWB)** began its work in gender diversity in 2008 both in response to a declining number of women at senior levels in the industry and in recognition of the strong business case for gender diversity. Borrowing a concept from corporate marketing strategy, the business case would hold that microfinance institutions (MFIs) targeting women customers will be more successful at understanding and responding to customers' needs if they mirror their market. This is not to say that men cannot or do not grasp the needs of a female client base, but rather that having women's voices at the tables where decisions are made about which products to offer, and how, will lead to decisions that are more responsive to women clients. Differentiation in the market as a gender diverse organization attracts not only top female talent but can have corresponding benefits in attracting new women clients. Becoming an employer of choice for women can help differentiate the MFI as an organization truly committed to serving women. These concepts seem even more relevant today as the microfinance industry, particularly in South Asia, is being forced to look inward and explore what it means to focus on customers and re-examine its commitment to the mission of poverty alleviation.

Catalyst, the leading non-profit organization working globally to expand opportunities for women in the workforce, has published numerous studies linking corporate performance and gender diversity in management and governance in North American and European corporations. Catalyst's reports have consistently shown that companies with higher percentages of women board directors, on average, financially outperform companies with lower percentages of women board directors by significant margins.<sup>1</sup> The same relationship holds true between the percentage of women corporate officers and financial performance. Prioritization of gender diversity in many institutions can be a proxy for other positive determinants of financial performance, such as innovation, employee satisfaction, customer loyalty and an inclusive and supportive work environment. Gender diversity alone is not a cause for an improved bottom line, finds Catalyst, but rather a symptom of a healthy, vibrant organization.



This publication was made possible by the generous support of The McGraw-Hill Companies

**The McGraw-Hill Companies**  
Creating a Smarter, Better World







# DIVERSE COUNTRIES, SIMILAR CHALLENGES



Women's World Banking conducted three **Organizational Gender Assessments** from 2008 to 2010 with microfinance institutions in India, Bangladesh and Pakistan. The intention of this cross-institutional analysis is not to minimize the significant differences amongst these three countries of South Asia, but rather to identify what similarities exist for women working in microfinance. In this way, microfinance institutions looking to diversify their labor force can better understand these shared challenges and opportunities. Each of these institutions is distinct in its organizational characteristics; there are also variances in the development of each country's microfinance industry, and of course the cultural, religious, economic and social factors that influence women's access to the formal labor market and attitudes towards women's employment. In spite of these differences, the similarities in the findings of WWB's research suggest that common solutions to achieving greater workforce diversity exist.

# RECRUITMENT



For microfinance institutions operating in competitive markets, recruiting new employees with the skills, education, and the stamina for what is increasingly demanding work (true for both field staff as well as headquarters positions) is a challenge. Figuring out how to attract female candidates is an important component of a successful talent management strategy in any labor market, but particularly true in South Asia where women continue to enter the workforce in increasing numbers.



Below are some of the challenges and potential solutions that emerged from WWB's research with its OGA partners

- **'One size fits all' recruiting materials don't always fit**

For most microfinance institutions marketing and recruiting materials tend to be written for and disseminated to a general audience, designed to communicate factual information relevant to the available positions. What WWB's research identified, however, is that the language and media used to deliver the message can influence whether women feel encouraged to apply. Women loan officers in Bangladesh, for instance, felt that female candidates eligible for microfinance field staff positions were less likely to read newspapers regularly, and therefore less likely to access job advertisements posted in local newspapers. Women field staff in India—both loan officers and branch managers—felt that their institution could be far more effective in recruiting women staff if they showcased the successful senior women of the organization in recruiting materials.

- ✓ **WWB Recommendation: Identify forms of media that are more likely to reach women job candidates** (for example, radio spots in addition to newspaper advertisements, and targeting women's colleges or women's clubs at universities). Knowing how to reach her audience, one woman loan officer in India explained: "We could do TV advertisements because everyone has a TV and women watch it all the time. Particularly Star World because that's where you see all the soap operas." There was also a strong recurrent theme among participants in WWB's research that there must be 'truth in advertising'; that is, women must have access to accurate information about the challenges of field work when they are considering their application. As one Indian manager expressed: "If we clearly advertise for positions and encourage women to apply but ensure that it is clear what is required, such as travel, then we will get women applying who really understand the job and are willing to take on those challenges."

- **Recruiting tactics that overlook qualified candidates**

In most markets where WWB's South Asian partners work, identifying and recruiting female candidates can be a more challenging endeavor than hiring men. This is primarily due to far fewer women entering or remaining in the formal workforce. Another factor uncovered in WWB's research is that an MFI's recruiting tactics may inadvertently discourage women from applying. One example is the use of group interviews (a group of candidates interviewed together by a team of managers) to recruit field staff. Some microfinance institutions choose this hiring mechanism for expediency; group interviews can help alleviate the pressures of ambitious hiring targets. Women employees in WWB's research sample spoke of the discomfort they felt in these interviews. In the case of ASA, an MFI in Bangladesh, for example, men could outnumber women in the group interviews for loan officer positions at more than 20 to 1. Managers at all levels in WWB's OGA partners spoke of the valuable role that women played in their teams—because of skills, access to female customers, reliability, professionalism, and the 'civilizing effect' that women bring to a coed team (a not uncommon comment from many managers across the three institutions). Given the rationale for creating diverse teams, in the field and in headquarters, HR teams must ensure that recruiting tactics are not a deterrent for potential, qualified women.

# RECRUITMENT

✓ **WWB Recommendation: Design recruiting tactics that are targeted to include qualified women.** One of WWB's partners in India uses 'recruiting camps'—large recruiting events designed to identify and secure a large number of new hires—to address their recruiting needs for field positions. The institution was finding it extremely difficult to get a significant number of female candidates to attend the camps, and even lower numbers of women who proceeded with the application process. Following WWB's diversity diagnostic, the institution has identified ways to personalize the experience of the recruitment camp for female candidates, and has included an exposure program for female candidates to meet with current female employees.

---

- **A good reputation is the best recruitment tactic**

A critical determinant of an institution's capacity to recruit and hire qualified women is how the institution is viewed externally as an employer of women. Is the institution seen as supportive of its female employees? Does the institution have a reputation of being male-dominated and not inclusive of gender diversity? In South Asia, where family plays an important role in personal and professional decisions, for both men and women, the institution's reputation impacts how the families of potential applicants will consider a female family member's potential employment. Many of the women interviewed as part of WWB's research reported having learned about their position through a referral by a female friend. This kind of word-of-mouth referral comes with an implicit endorsement of the institution as an employer of women, and remains a particularly important recruiting mechanism for microfinance institutions, particularly in markets where women's formal employment is a relatively recent and tentatively expanding phenomenon.

✓ **WWB Recommendation: Leverage your employees as ambassadors.** Many microfinance institutions encourage current staff to 'refer a friend' to apply for available positions. Given the greater degree of gender segregation in many parts of South Asia as well as the power of women's informal networks for potential outreach, microfinance institutions need to strengthen their ability to mobilize their current female staff through referral programs. As one woman loan officer in India explained: "We are the ones who can tell people about our company and bring women, without any advertisements. We have friends, we can tell our friends. We are the ones who are meeting women." Current female staff who have positive experiences in the organization are the best ambassadors to communicate the organization's positive reputation to potential female candidates.

---

- **Hiring managers are the first filter**

For an organization to be successful at creating and sustaining a diverse workforce, it is important that individuals' beliefs or biases regarding men's and women's roles do not influence hiring decisions. In WWB's research, some male managers in each of its three partner organizations expressed concern regarding women working as field staff. These concerns ranged from safety concerns ("it's too dangerous/unsuitable for women to be working in the field in the evening") to notions of biologically determined strengths ("men are better at being tough with customers.") In one dramatic example of a manager's





assessment of women's capacities, one male area manager recounted the following quote: "When a branch manager is told that he will get a woman staff, he says 'oh I am dead.'" The assumption made by some male branch managers in this particular institution was that limitations on women's work in the field, such as an inability to travel alone at night or the risks of carrying cash from loan collections, affected the overall productivity of the branch. WWB's analysis of coed branches uncovered no such link between the presence of women staff and the decrease in productivity. While these notions were by no means universal, institutions must address the risk that perceptions, judgments and generalizations based on gender can negatively impact how managers—whether male or female—make recruiting decisions.

✓ **WWB Recommendation: Recognize potential internal biases.** WWB offers its partners a gender awareness training module that can be integrated into existing staff and managerial development training programs. The program helps staff and managers identify the way in which assumptions and perspectives on gender can influence how men and women work together, and how these assumptions can influence behaviors, which can have practical implications on the equality of opportunities available. WWB's gender awareness training helps managers identify where their perspectives and biases may influence their hiring and managerial decision-making.





# RETENTION

Getting women into the organization is the first step, but institutions know well that effective employee engagement is the key to any talent management strategy. Institutions engage employees by providing for their practical needs—giving them sufficient access to tools and resources to execute efficiently in their roles—as well as their more fundamental needs—creating an organizational culture that sets the tone for what is valued and celebrated on the job, and more importantly for this work, who feels included.



- **Having the right tools to get the job done**

All employees need access to the tools and resources that enable them to perform their jobs. Loan officers need access to transportation—whether bicycle, moped or bus fare—to manage their portfolio of clients just as the credit manager needs a strong MIS system to track portfolio performance. When employees do not have access to necessary resources, performance and morale suffer. Women field staff in South Asia face a unique set of challenges that in some cases require a distinctive set of resources.

- **Safety first**

Security is a significant concern for women field staff in many regions of the world. Given mobility constraints for women in many parts of South Asia, the challenge of security for female field staff is a particular consideration. Field staff are often required to manage loan recovery after dark, some work in remote areas, and many must travel with cash.

Whereas some staff interviewed for WWB's research felt that men and women were equally susceptible to violence and muggings on the street, most women interviewed felt that female staff were far more vulnerable. Though WWB's partner institutions have put measures into place to address this issue for all staff, many women staff continued to feel that their distinctive challenges were not sufficiently understood and addressed by company policies.

- **Transport**

For many women in South Asia, their range of transportation options are far more restricted than men. In Bangladesh, for example, women interviewed complained of sexual harassment on public transportation. India, with vast regional variations, presents a mixed story with women in some regions, such as Kerala, having far more freedoms to travel on public transport or by moped than women in more conservative regions. In all three institutions, field staff are provided some form of compensation for field travel, with the size or form of compensation increasing with scope of responsibility: public transport for loan officers or gas allowance for area managers. But this tiered compensation package has gender implications when a majority of an institution's female staff is represented at the loan officer level. In the case of one institution, WWB's research uncovered that women field staff were paying from their own pockets on average double the travel allowance granted. This was due to loan officers staying at the branch until loan recovery was complete for the day. Women loan officers would travel home by taxi, due to security concerns, incurring additional costs not covered by the travel allowance.

- ✓ **WWB Recommendation:**

***Identify under what conditions the institution should consider differentiated benefits packages for women and men.*** Fairness and equity are critical in designing benefits packages for employees, however in some instances fairness and equity does not necessarily mean a standard package for all staff regardless of circumstances. WWB works with its partners to assess whether differentiated transportation allowances, or other benefits packages, are appropriate.







## CASE STUDY – UJJIVAN

Ujjivan Financial Services, a microfinance institution headquartered in Bangalore, India, was ranked number one in the Best Place to Work list in its industry in both 2009 and 2011. It also ranked among the top 15 companies in India, across all industries, in the 2011 survey. The award, given by *The Great Place to Work Institute, India* and *The Economic Times* was based on three factors:

- relationship between the employer and employee
- employee pride in his/her work, and
- teamwork among employees.

Ujjivan has placed a clear institutional emphasis on employee engagement, retention and professional development from its early days. Yet, founder Samit Ghosh recognized that there was still more to be done. The institution recognizes the value of hiring female staff and managers, particularly due to the gender composition of its client base. In the words of Mr. Ghosh: “Most of our clients are women so we definitely try to attract as many women as possible in our organization, especially in the front end in dealing with our customers. Also at the management level we feel that if we don’t have the right balance we won’t have the right sensitivity.”

Despite this recognition of the value of diversity, the institution had not previously invested efforts in explicit initiatives to hire and retain female staff. And given the challenges of operating in a highly gender-segregated labor market such as India, the representation of Ujjivan’s women employees was far less than 50 percent of the MFI’s total workforce. For instance, as of November 2010, women accounted for 23 percent of the employees in Ujjivan. Within the organization’s four tiers, women were most strongly represented in the lowest tier, Grade Four (loan officers and other junior field staff), and the highest tier, Grade One (Heads of Functions, COO, CFO, Managing Director).

Mr. Ghosh founded Ujjivan Financial Services in 2005, having identified a significant need for financial services in India’s rapidly growing urban areas, markets that traditionally have been underserved by India’s microfinance sector. The organization quickly became a model for innovation, customer insight, and commitment to strong people management. In 2010, in a continued commitment to building the most customer-centric, vibrant organization, Ujjivan invited WWB to conduct an Organizational Gender Assessment to identify where challenges and opportunities existed for women staff and managers in the organization, and where improvements could be made to provide equal opportunity for all qualified staff.

WWB conducted an assessment of the institution based on workforce statistics, policies and manuals and interviews with management and staff. The analysis highlighted some very positive trends: the institution’s significant commitment to excellence and professionalism and its strong foundation as a learning organization means that the infrastructure is in place on which to build gender-responsive policies. From the results of the research, WWB worked with management to develop a strategy for gender diversity.



# Ujjivan's Strategy for Gender Diversity

Ujjivan's strategy to create an inclusive and diverse workforce has four components. Below is a sample of the organization's efforts in each of these four areas:

## 1. Accountability

- a. Ownership.** The organization has focused first on building ownership for its gender diversity strategy among the national and regional leadership teams. Information sharing and awareness building has been done with the national and each of the four regional teams. The leadership teams will be closely involved in the design of the communications plan for the initiative.
- b. Leading Force.** HR is responsible for refining the strategy and building a framework for accountability in the initial stages.
- c. Creating Business Relevance.** Ultimately the accountability for the success of the diversity initiative will become part of the core business of the organization, rather than remaining permanently with the HR function.

## 2. Measurement

- a. Diversity Dashboard.** The HR team has built a diversity dashboard that includes key workforce statistics disaggregated by gender. The dashboard will be reviewed at monthly and quarterly business review meetings by the leadership teams. This is a powerful tool to build awareness of where any issues may lie, and it can introduce the discussion of gender and HR into core business conversations.

## 3. Aligning Processes and Behaviors

- a. Building Awareness.** WWB trained the Ujjivan team on a gender awareness module to be integrated into the organization's management development training as well as into the orientation training for all new staff. This module helps personalize some of the abstract concepts of gender and helps participants recognize how gender perspectives and relationships can impact how we interact and assess the performance of our colleagues, supervisors and teams.
- b. Supportive Policies and Processes.** The results of WWB's research identified HR policies and processes that could be modified to ensure greater responsiveness to the needs of the female segment of its employee base. A review of core talent management processes has been conducted and the HR team will ensure better alignment of these processes with the organization's gender diversity goals.

## 4. Leadership and Communications

- a. Internal Marketing.** The organization is committed to building the buy-in of staff for this initiative. Internal marketing tools will be designed, including features in the organization's internal newsletter and events to showcase successful women in the organization.
- b. External Marketing.** Once the organization begins to see the impact of some of the initiative's programs and changes, then it will be in a position to use its successes as part of its external marketing. A meaningful commitment to gender diversity is an important differentiator for any employer, and Ujjivan will be able to leverage this in a highly competitive market.



Ujjivan has taken the initial step in committing to gender diversity as a priority for the institution. The foundation of strong human resources management on which the diversity strategy has been launched bodes well for the strategy's success. In the words of Managing Director, Mr. Ghosh: *"It is very important to be an equal opportunity employer, for the good of the organization. We aspire to hire the best people for the best job. This is a part of our culture. Obviously there is an imbalance between genders and that we have to set right."*

- **Off ramps, on ramps and mothers-in-law: how to be a professional, a wife and a mother in South Asia**

A recent study on women in the workforce in emerging economies captured the stalemate in which many working mothers find themselves: “Family-related pulls and work-related pushes conspire to force women to either settle for dead-end jobs or leave the workforce.”<sup>2</sup> Given the relatively young age of much of the workforce in microfinance, institutions can have a tremendous impact by focusing on supporting young working mothers. Much has been written about how corporations can help women successfully rejoin the workforce after maternity leave. There is a growing consideration that a company benefits if it extends its support to its female employees beyond maternity leave to include helping them reintegrate successfully when they return. For women in WWB’s research, the challenge was not the duration or terms of the maternity leave but rather how to manage competing pressures once they returned. Many women in each of the three institutions spoke of the explicit and implicit pressures voiced by family to quit working.

- ✓ **WWB Recommendation:**  
*Consider a peer advisor program for women prior to their departure for maternity leave.*

This would pair expectant mothers with women in the organization who have successfully managed the reintegration post-maternity leave. This advisory relationship allows expectant mothers to seek advice, ask questions and express concerns about upcoming challenges of managing motherhood, familial pressures and work obligations. In a region where women face multiple pressures to quit working after childbirth, microfinance institutions can offer pregnant women access to examples of successful working mothers. These women are valuable human resources whom the institution would do well to invest resources in retaining.

In some cases perceptions of the rates at which men and women employees leave an organization do not reflect the actual rates. In the case of Ujjivan, attrition rates from March 2008 to March 2009 were almost exactly at par for men and women. In WWB’s research, however, a widely-held perception among staff at all levels was that women were leaving at higher rates than men. What explains this difference between perception and reality? One hypothesis is that since more women leave the institution and the workforce entirely their departure is felt more significantly by managers and peers than the departure of their male colleagues who leave primarily for other job opportunities.





# PROMOTION

Microfinance institutions across the world place considerable value and emphasis on internal promotion, particularly as institutions grow and expand into new regions, new neighborhoods, and new markets. A talented branch manager with great potential is the ideal candidate to serve as an area manager in a new region. He or she brings institutional knowledge, technical capacity and alignment to the mission that is required to lead the new region. But how can microfinance institutions ensure that the promotion process encourages and rewards all qualified employees? And how can institutions manage their pipeline of high potential talent to ensure increased diversity?



# PROMOTION

- **Identifying and addressing the subjective**

Though organizations set objective standards for promotion eligibility, human resource decisions are inevitably influenced by subjectivity. Just as it is important for hiring managers to be aware of any biases or preconceptions they may bring to the hiring process, institutions must be aware of the possibility that gender biases may influence promotion decisions. In South Asia, it is quite common for male and female managers to express assumptions about an individual's career future based on gender: i.e., "he may leave the organization to work for another microfinance institution; she may stop working once she has children." These assumptions of employees' future choices based on gender are common and seemingly innocuous but can have considerable influence on how managers make promotion decisions. Suppose there are two equally qualified candidates for promotion—a man and a woman—and the manager believes that most women find it hard to continue working, particularly in the field, once they have children. Will she be less likely to select the female candidate? Chances are the answer will be yes.

- ✓ **WWB Recommendation:**

**Implement a gender awareness training program.** Gender awareness training is a powerful and important tool for institutions committed to building a culture of diversity and inclusion, particularly in traditional, gender segregated societies. Gender diverse promotion review panels are another mechanism institutions can use to address the risk of gender bias in the talent management process. Creating a review panel to oversee promotion decisions ensures that a range of perspectives and opinions are incorporated, which can address the risk of stereotyping and resulting bias.





---

- **Not all imposed restrictions are external**

In the course of WWB's research in the region, many managers expressed frustration with the challenge of diversity. "Women are given every opportunity," they would exclaim, "and it is they who choose to opt out of the race." There is an important element of truth in this statement; that is, the restrictions placed on women are not all externally imposed. Each of us, whether a man or a woman, internalizes the explicit and implicit lessons from childhood of what we can and cannot do, what we should and should not do, and this informs how we behave as adults. Women who have been raised to define themselves by their familial roles—sister, wife, mother—may not think of themselves as equally able to compete in a professional context.

- ✓ **WWB Recommendation:**


***Establish a women's network for employees.*** Depending on the needs of female employees in a given institution, this initiative could include leadership development programs, mentoring partners, or a working mothers' support group (as mentioned earlier). This initiative can also evolve from one organized and led by the organization to an employee-led resource group that continues to have the sponsorship of the organization.

---

- **Building a pipeline, starting with a drop**

The reality in WWB's three partner organizations included in this research is that women make up a minority of the staff at the bottom of the organizational ladder—as small as 17 percent in the case of the women field staff in Bangladesh. This poses a challenge to efforts to ensure diversity in the high potential pipeline of talent. Of course it is paramount that merit never be sacrificed in the name of diversity; candidates must be selected for high potential programs, whether men or women, only if they meet the qualifications. But given the smaller numbers of women throughout the organization's ranks, extra attention must be paid to supporting and developing women with potential for professional growth.





Microfinance as an industry is still quite young, and when it comes to addressing institutional support for gender diversity, the efforts are nascent. Much has been learned—both about what has worked and what has failed—in the corporate world about engaging women professionals. The question to the microfinance industry is how well can we take advantage of these inroads, these tested efforts and do even better at building inclusive institutions? Can the microfinance industry leapfrog the corporate world’s stages of evolution by incorporating gender best practices into the way of doing business, before business becomes too entrenched? WWB’s hope is that an industry known as a pioneer in bringing economic solutions to address poverty will continue to differentiate itself as one that supports and celebrates its gender diversity.

# ACKNOWLEDGEMENTS

A very special thanks to Celina Kawas and Shazreh Hussain, whose expertise and intellectual rigor continue to ensure that WWB's gender diversity work is held to the highest standards. To Julie Slama, a creative and tireless partner on many publications. To Samit Ghosh, CEO and Managing Director of Ujjivan, India, who recognizes gender diversity as a key ingredient to successful microfinance. And finally to the McGraw-Hill Foundation, whose generous support made this publication possible, and the MasterCard Foundation, whose partnership ensures that WWB's gender diversity work will continue to transform the microfinance industry.

---

## ENDNOTES

1. Lois Joy, "Advancing Women Leaders: The connection between women board directors and women corporate officers," Catalyst, 2008, p. 2.
2. Hewlett, Sylvia Ann and Ripa Rashid, "The Battle for Female Talent in Emerging Market", Harvard Business Review, May 2010, pp.101-106.









## Annex 5- WWB Network Member Pledge



### WWB Network Member Pledge

We, the members of the Women's World Banking network—retail financial institutions and the global team—join together to adopt this network pledge. By adopting this pledge, we agree to uphold the network principles, demonstrate our shared beliefs, meet the performance standards and contribute to the financial sustainability of the WWB network, our network of choice. We support our common purpose to expand the economic assets, participation and power of low-income women by helping them access financial services, knowledge and markets.

#### **AS MEMBERS OF THE WWB NETWORK, WE PLEDGE TO:**

1. Support the empowerment of low-income women as entrepreneurs, leaders and partners for change.
2. Deliver responsible financial products and services that build and protect the assets and expand the investment opportunities of low-income women and their families, meeting their highest expectations.
3. Treat customers fairly, with dignity and respect. We hold ourselves accountable to communicate terms and prices of all services in complete and accurate ways that our customers can understand. We will use sound risk assessment techniques in our lending operations and ensure our customers understand the benefits and risks of all our products.
4. Serve as role models in the financial services community in valuing women leaders and investing in the development of women managers and staff. We will develop human resource policies to put our women-focused values into practice. We agree to strive for diversity in staffing and ensure equal opportunities for all.
5. Abide by high standards of ethics and transparency in all relations with our customers, competitors, legal and regulatory authorities and the public at large. We will produce transparent financial and social performance reporting on a regular basis.
6. Follow and promote best practice standards of good governance in the way we conduct business.
7. Achieve and maintain sustainable, efficient operations matched with responsible growth in scale and depth of outreach.
8. Demonstrate our commitment to locally-led financial institutions, our communities, our countries and globally.
9. Inform and inspire the network with our experience. We will forge partnerships to build the capacity of our institutions and contribute value to other network members and the industry.

Ultimately, we aim to be the financial services providers of choice for low-income women based on our belief that women are valuable customers and catalysts for social and economic change. By affixing our signature to this document, we signify our commitment to the fulfillment of this pledge as well as our agreement to prominently display our core values, codes of conduct and the WWB network member pledge.

Gender Performance Hypotheses

**CUSTOMERS**

**Objective 1. Outreach – To build the social and financial business case for providing access to women customers.**

*Hypotheses: SOCIAL (Benefits to Customer)*

- Access will result in:
  - Personal
    - Higher personal income
    - Increased investment in income-generating activities
    - Increased growth in income-generating activities
    - Increased control in decision-making over personal resources (financial services, income and other assets)
    - Increased control in decision-making over household resources (financial services, income and other assets)
    - Better personal well-being (nutrition, health, literacy)
    - Increased access to markets (we are not sure what this means)
    - Increased community participation/involvement
  - Household
    - Higher household income
    - Better household well-being (nutrition, health, literacy)

*Hypotheses: FINANCIAL (Benefits to Institution)*

- Access will result in a:
  - More loyal customer base
    - Access a greater number of products
    - Repeat use of products at a higher rate
    - Higher growth rate in size of products (loans/savings)
    - Less likely to access products from other MFIs
  - More reliable customer base
    - Invest in lower risk businesses
    - Exhibit higher repayment rates (loans)
    - Exhibit higher activity levels (savings – i.e. volume of transactions)
    - Exhibit higher savings rates (as a % of income)
  - Higher growth customer base
    - Reach more of the poor

**Objective 2 – Quality – To build the social and financial business case for being responsive to women customers.**  
(copy from Objective 1 and replace ‘access’ with ‘being responsive’)

**INSTITUTION**

**Objective 1: Outreach – To build the social and financial business case for being a gender diverse organization.**

- A gender diverse organization at all levels will result in:
  - Higher productivity
  - Higher staff retention
  - Higher staff satisfaction
  - Feeling more empowerment among women staff
  - Higher customer satisfaction
  - Less fraud
- Gender diverse board positions will result in:
  - More innovation in improving customer experience
  - Take less risks
  - Better governance
- Gender diverse senior management positions will result in:
  - Higher productivity
  - Higher staff retention
  - Higher staff satisfaction
  - Higher customer satisfaction

- Feeling more empowerment among women managers
- More innovation in improving customer experience
- Greater variety of financial products
- Take less risks
- Better governance
  
- Gender diverse middle management positions will result in:
  - Higher productivity
  - Higher staff retention
  - Higher staff satisfaction
  - Feeling more empowerment among women middle management
  - Higher customer satisfaction
  
- Gender diverse front-line staff will result in:
  - Higher productivity
  - Higher staff retention
  - Higher staff satisfaction
  - Feeling more empowerment among women front-line staff
  - Higher customer satisfaction
  - Higher repayment rates
  - Higher outreach
  - Sell a greater number of products to each customer
  - Less fraud

**Objective 2 – Quality – To build the social and financial business case for being responsive to women staff.**

(copy from Objective 1 and replace ‘gender diverse’ with ‘gender responsive’)

Gender-responsive HR policies –

- Recruitment process
- Benefits
- Training
- Development
- Promotion
- Compensation

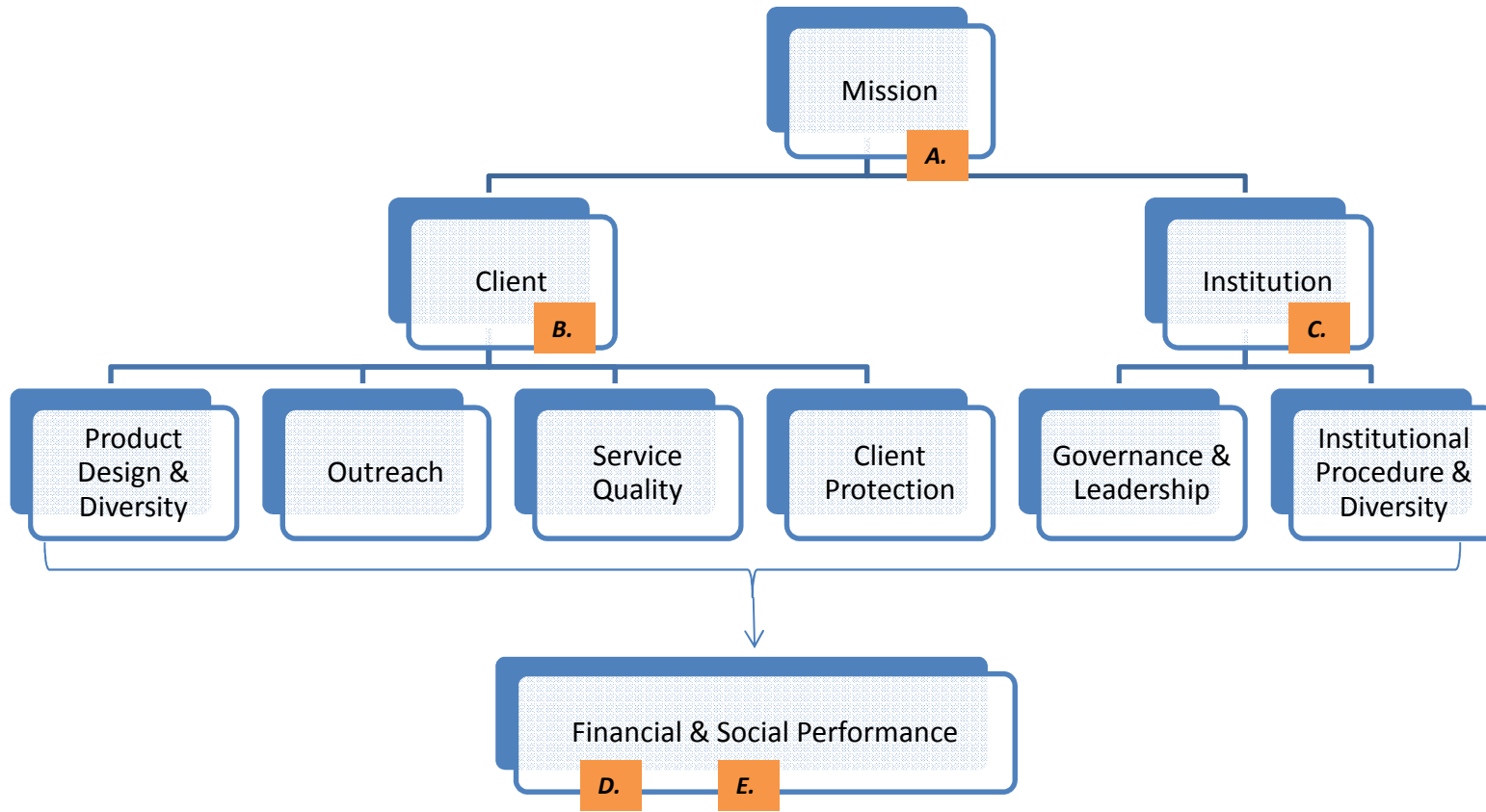
Gender Performance Indicator Matrix

**Objective 1. Outreach – To build the social and financial business case for providing access to women customers.**

Hypotheses	Variables	Indicators
<i>Hypotheses: SOCIAL (Benefits to Customer)</i>		
C.1.1. Access to a variety of financial services can lead to improved economic and social outcomes for women. [Personal]		
C.1.1.1. Access will result in higher personal income	<i>Personal Income</i>	Percentage of women who report the income they have been able to earn has increased over the past year <sup>0</sup> Percentage of women whose income increased over the past year <sup>1</sup>
C.1.1.2. Access will result in increased investment in income-generating activities	<i>Investment in Income Generating Activities</i>	Percentage of women borrowers who re-invested enterprise profits (or additional resources) into enterprise <sup>2</sup> Percentage who developed a new enterprise <sup>2</sup>
C.1.1.3. Access will result in increased growth in income-generating activities	<i>Growth in Income Generating Activities</i>	Percentage of women borrowers who expanded the size of enterprise facility <sup>3</sup> Percentage of women borrowers who added new products to their enterprise <sup>4</sup> Percentage of women borrowers who hired more workers <sup>5</sup>
C.1.1.4. Access will result in increased control in decision-making over personal resources (financial services, income & other assets)	<i>Individual Decision-making</i>	Percentage of women savings or credit clients who participate in decisions that affect their daily lives (or index referencing degree of participation) <sup>6</sup> Percentage of women borrowers who manage or co-manage activity financed by the loan <sup>7</sup> by loan size
C.1.1.5. Access will result in increased control in decision-making over household resources (financial services, income & other assets)	<i>Household Decision-making</i>	Percentage of women borrowers who report equal or greater decision-making power (than husband or other household member) over household resources (or scale referring to degree of participation) <sup>6</sup>
C.1.1.6. Access will result in better personal well-being (nutrition, health, literacy) <sup>8</sup>	<i>Literacy</i>	Percentage of women clients who can read a letter (or book or newspaper) <sup>8</sup>
	<i>Diet / Food security</i>	Percentage of women clients who report that their own diet has improved in the last year <sup>10</sup>
	<i>Health</i>	Percentage of women clients say they are in good or excellent health <sup>11</sup>
C.1.1.7. Access will result in increased access to markets (we are not sure what this means)	<i>Market access</i>	Percentage of women clients who sold in new markets/locations in last xx <sup>12</sup>
C.1.1.8. Access will result in increased community participation/involvement	<i>Community participation</i>	Percentage of women clients who report participation in community organizations/ civil society groups other than loan groups <sup>13</sup>
C.1.2. Financial services for women can lead to improved economic and social outcomes for women's families. [Household]		
C. 1.2.1. Access will result in higher household income	<i>Household Income</i>	Percentage of clients who report that household income has increased in the last xx by gender (and type of product(s) accessed?) <sup>14</sup>
C.1.2.2. Access will result in better household well-being (nutrition, health, literacy)	<i>Children's education</i>	% Clients' primary and secondary school aged children attending school <sup>15</sup>
	<i>Food security</i>	Percentage of women clients who report that their household diet has improved over the last year <sup>10</sup>
	<i>Household poverty</i>	% Client (households) who have moved out of poverty (crossed poverty line) in last x years <sup>16</sup>
<i>Hypotheses: FINANCIAL (Benefits to Institution)</i>		
C.2.1. Access will result in a more loyal customer base	<i>Access a greater number of products</i>	% clients who access two or more financial services / products by gender
		Average number of products accessed by gender
		Average number of non-credit products accessed by gender
	<i>Repeat use of products at a higher rate</i>	Share of active clients in third or later loan cycles by gender
		Renewal rate ratio (MI) by gender <sup>18</sup>
		Growth trend in average savings balance by gender
	<i>Higher growth rate in size of products (loans/savings)</i>	Average loan size per subsequent loan cycle by gender
Growth trend in size of insurance policy		
<i>Less likely to access products from other MFIs</i>	% Clients who are currently accessing financial products or services at another MFI by gender <sup>19</sup>	

C.2.2. Access will result in a more reliable customer base	<i>Invest in lower risk businesses</i>	% Clients who invest in 'low risk' businesses <sup>20</sup> by gender and loan size
	<i>Exhibit higher repayment rates (loans)</i>	Repayment rate by gender and loan size <sup>21</sup>
	<i>Exhibit higher activity levels (savings – i.e. volume of transactions)</i>	PAR by gender and loan size
	<i>Exhibit higher savings rates (as a % of income)</i>	Volume of savings transactions by gender Savings rates (as % of income) by gender
C.2.3. Access will result in a higher growth customer base	<i>Reach more of the poor / Depth of Outreach</i>	<u>Indirect measures</u> - Average size of first loan disbursed as % of per capita GNI by gender <sup>22</sup> - % women clients
		<u>Direct measures</u> - No. / % of (new and active) clients below (a national or international) poverty line <sup>23</sup> by gender - Poverty outreach ratio <sup>24</sup> by gender
	<i>Breadth of Outreach</i>	<u>Number of Clients</u> <sup>25</sup> - Total number and % of active clients by gender - Number and % of total active credit clients by loan type (individual, group, housing) and gender - Number and % of total active insurance clients by insurance type (life, health, credit, other) and by gender - Number and % of total active savings clients by savings type (compulsory, voluntary [demand deposit and term deposit]) and by gender
		<u>Gross Portfolio Amounts (US\$)</u> - Gross loan portfolio (US\$) by gender - Total deposits (US\$) by gender - Growth Ratio(insurance) <sup>26</sup>
		<u>Market Share</u> - % market share of lending market <sup>27</sup> - % market share of savings market <sup>28</sup> - Coverage ratio (insurance) <sup>29</sup>

## Gender Performance Framework and Indicators



Draft Gender Performance Framework				
Category	Guideline	Rationale	Tier 1 Indicators	Tier 2 Indicators
<b>A. Mission</b>				
Mission	Institution has a strategic gender focus.	An institution's mission drives its objectives and performance and is the first indication of its commitment to women.	<ul style="list-style-type: none"> <li>- Institution's mission includes an explicit expression to serve women.</li> <li>- Institution's strategic action plan and objectives include targeting women, with measurable goals and commitment to monitor.</li> <li>- Institution's gender focus is communicated to internal and external stakeholders.</li> </ul>	
<b>B. Client</b>				
Product Design and Diversity	Institution conducts market research systematically to understand the needs of women clients.	Market research provides an effective mechanism to understand women's particular needs, as their financial behaviors are generally more complex.	<ul style="list-style-type: none"> <li>- Market research is conducted using customer segmentation by gender.</li> <li>- Institution has a process or methodology to determine the needs of women.</li> </ul>	
	Product design is informed by women's needs.	Women have specific life-cycle needs and goals that must be considered during product design.	<ul style="list-style-type: none"> <li>- Product attributes reflect needs of women.</li> <li>- Client retention by product by gender.</li> <li>- % growth by product (product uptake) by gender</li> </ul>	
	Institution offers a diverse set of financial products to women to meet their life cycle needs.	Women's needs vary substantially depending on the life-cycle stage that they are in, and having access to diverse products (credit, savings, insurance, etc.) ensures that these needs are met at each stage (youth, marriage, pregnancy, children, etc.). Women juggle numerous responsibilities (in and out of home) making it even more difficult for them to create and grow a business.	<ul style="list-style-type: none"> <li>- Number of financial products available to customers by gender.</li> <li>- % of women clients accessing 2 or more voluntary products</li> <li>- Average number of products accessed by gender</li> <li>- Average number of non-credit products accessed by gender</li> </ul>	
Outreach	Institution is reaching a representative portion of women in its market.	Low-income women are generally the segment with least access to financial services.	<ul style="list-style-type: none"> <li>- # or % of women clients (define clients)</li> <li>- Women clients as % of country female population</li> <li>- Women clients as a % of country female economically active population.</li> <li>- Women borrowers as % of female microenterprise market. (market penetration)</li> <li>- Women savers as % of low-income women population. (market penetration)</li> <li>- Women clients as % of total clients served by microfinance service providers (market share)</li> <li>- Coverage Ratio (Insurance), by gender</li> <li>- # of alternative delivery channels used to reach clients</li> </ul>	
	Institution is reaching low-income women.	Low-income women are generally the segment with least access to financial services.	<ul style="list-style-type: none"> <li>- % of women clients, by education level</li> <li>- Average size of first loan disbursed as % of per capita GNI by gender</li> <li>- # of branches in areas with lowest income population/women</li> </ul>	<ul style="list-style-type: none"> <li>- % of women clients above/below (national or international) poverty line</li> <li>- Poverty outreach ratio, by gender</li> </ul>

Category	Guideline	Rationale	Tier 1 Indicators	Tier 2 Indicators
	Women gain access to formal financial system.	Women face numerous barriers to entry to formal financial system, including lack of property rights, lack of access to productive resources such as land, seeds, fertilizers, farm machinery, lower literacy rates than men, etc. Women may also be least comfortable using traditional banks and exhibit less trust in them.	<ul style="list-style-type: none"> <li>- % of women clients who are first-time borrowers through formal financial institutions. (credit bureau)</li> <li>-% of women clients who are first-time savers through a formal financial institution (if possible).</li> </ul>	
	Institution reaching new women clients.	Low-income women are generally the segment with least access to financial services.	<ul style="list-style-type: none"> <li>- New women clients as % of total clients</li> <li>- Growth in new women clients from prior year.</li> <li>- Growth in total active women clients from prior year.</li> </ul>	
	Institution effectively messaging to women clients.	Branding is a powerful tool that has shown to have an empowering effect on women.	<ul style="list-style-type: none"> <li>- Marketing strategy to target women in place, including messaging and channels appropriate to segment</li> <li>- Client retention rate, by gender</li> </ul>	
Service quality	Institution offers products that are valued by women clients.	Although serving women may require a larger upfront investment, it has been shown that women who value an institution's products and services are more likely to be loyal to it.	<ul style="list-style-type: none"> <li>- Client retention rate by gender</li> <li>- Client satisfaction rating, by gender</li> <li>- Renewal rate ratio (MI) by gender</li> <li>- % of women clients accessing 2 or more voluntary products</li> <li>- Share of active women clients in 3rd or later loan cycles</li> <li>- Transaction volume/longevity of savings accounts by gender (trust?)</li> </ul>	- Referral rates by clients, by gender.
	Institution provides timely approval, processing and disbursement of loans.	Women highly value speed of service.	<ul style="list-style-type: none"> <li>- Average turnaround time for loan disbursement</li> <li>- Average number of days to respond to claims (insurance)</li> <li>- Client satisfaction rating, by gender</li> </ul>	
	Institution provides convenient service points.	Women face numerous barriers to mobility, including cultural barriers that constrain movement and numerous responsibilities (inside and outside the home) that limit time availability and mobility.	<ul style="list-style-type: none"> <li>- # of alternative delivery channels used to reach clients</li> <li>- # of branches or points of service in areas with lowest income population/women</li> <li>- Client satisfaction rating, by gender</li> </ul> (NEED MORE INDICATORS)	
	Institution provides good customer service to women clients and monitors client satisfaction by disaggregating data by gender.	Women tend to place more emphasis on customer service than men. Women are less likely to complain about poor service directly to loan officers or management. Women are more likely to use word-of-mouth to promote an institution's good (and bad) service.	<ul style="list-style-type: none"> <li>- Client feedback process in place, including customer satisfaction surveys, call centers and exit services, by gender</li> </ul>	



Category	Guideline	Rationale	Tier 1 Indicators	Tier 2 Indicators
Client Protection	Institution protects women clients through transparency, confidentiality, appropriate debt collection practices, and ensuring control of financial assets.	Women generally have lower literacy levels than men and are less likely to understand product terms; women may have cultural barriers where they feel it is inappropriate to ask questions about their accounts; women are more likely to be harassed and experience inappropriate debt collection practices; women are less likely to complain than men; women value confidentiality more (and may require it due to cultural barriers); women may have no or limited control over income and access.	- Smart Campaign Certification indicators & benchmarks	
<b>C. Institution</b>				
Governance	Board members understand and monitor MFI's strategic gender objectives.		- Gender-based client indicators and diversity scorecard are consistently reviewed by senior management and presented to the Board at regular meetings.	
	Institution ensures gender diversity in the board and at management level.	Diverse boards tend to make "better" decisions. Gender diversity is the most used proxy for diversity.	- % board members, by gender - % senior management, by gender and department	
Institutional procedure & diversity	Institution has a written HR manual (code of ethics) and a gender diversity policy.	Women are more likely to experience discrimination in the workplace and sexual harassment. In most countries, women are paid less than men for the same work and position.	- Written HR manual/code of ethics in place (e.g. anti-sexual harassment, anti-discrimination, statement of equal opportunity, equal pay for men and women at all levels). - Code of ethics is consistently disseminated. - Statement of MFI's commitment to gender diversity and values is written and enforced.	
	Institution monitors gender diversity in the workplace by consistently disaggregating workforce data by gender.	Women staff and leaders tend to experience specific obstacles and challenges regarding recruitment, development, productivity, and performance: Recruiting female candidates for MFIs can be a challenge due to cultural, education, and skillset barriers. Women staff may leave the workforce due to a lack of flexibility, but may also exhibit higher retention rates when satisfied with their jobs. Gender biases may influence promotion decisions. As institutions grow and commercialize, less women may be promoted to senior management positions. Women may exhibit different challenges on work efficiency and productivity than men.	<u>Workforce statistics:</u> - % MFI workforce, by gender, department, and region - % front line staff, by gender, department, and region - % middle management, by gender, department, and region <u>Recruitment:</u> - % applicants by gender <u>Development:</u> - % staff trained by gender, department, and position <u>Retention:</u> V voluntary and non-voluntary attrition rate by gender and position <u>Performance Management:</u> - Promotions by gender, position and level - % staff with variable remuneration, by gender <u>Productivity:</u> - Borrowers per loan officer by gender - Savers per Saver Mobilizer by gender - Client retention per loan officer by gender - Share of active clients in third or later loan cycle per loan officer by gender - Avg. portfolio per loan officer by gender - PAR by gender of loan officer - PAR by gender of clients, by women and men loan officers	

<u>Category</u>	<u>Guideline</u>	<u>Rationale</u>	<u>Tier 1 Indicators</u>	<u>Tier 2 Indicators</u>
	Institution has internal procedures in place to track employee satisfaction by gender and address grievances.	Women and men have different values and may be more or less satisfied with their jobs based on different criteria.	<ul style="list-style-type: none"> <li>- Employee satisfaction surveys administered regularly, and analyzed by gender.</li> <li>- Average satisfaction level, by gender.</li> </ul>	-% employees who say they are satisfied in their job, by gender or level (need to define).
	Institution conducts formal gender sensitization training at all levels of organization: <ul style="list-style-type: none"> <li>- Gender-related client level training</li> <li>- Diversity training</li> </ul>	Understanding gender-related barriers and challenges of clients will enable staff to better serve them.	<ul style="list-style-type: none"> <li>- % of management team and staff that attended gender sensitization training</li> <li>- Frequency of gender related training.</li> <li>- Length of training.</li> </ul>	

## Methodology

All indicators were developed based on the "Gender Performance Hypotheses".

The indicators were grouped according to the Gender Performance Schematic (Tab 1).

Indicators were rated based on operational and scientific validity.

Tier 1 indicators will be narrowed down based on:

- Results from the regional pilots.
  - Integration into the management system of the MFI
  - Portfolio analytics from data collected by MFI
- Feedback from Operational and Investor Advisory Groups, and other industry experts.

Tier 2 indicators have been narrowed down based on:

- Operational and scientific validity rankings
- WWB knowledge of women's market

Once additional Tier 2 data is captured, these indicators will be tested again for scientific validity and operational feasibility.

**Annex 7**

**Gender and the Universal Standards for Social Performance Management  
Position Paper**

SPTF Gender Working Group

October 2011

## **BACKGROUND**

The Universal Standards for Social Performance Management are a set of standards to which all double- and triple-bottom line microfinance institutions should be held. These standards aim to establish clear expectations for both social performance and social performance reporting, and it is therefore imperative that specific guidelines for “gender performance” are included in this framework.

Women’s economic disadvantage and their unequal access to finance are two fundamental reasons for looking at gender within social performance. Women make up a disproportionate number of the world’s poor and are less likely to have access to the formal financial sector. Data on time use by women and men in 31 countries show that women work longer hours than men in nearly every country.<sup>1</sup> However, their earnings average only 50-75 percent of men’s earnings. Despite the gap in earnings, women tend to invest the profits from their businesses in ways that have a longer-lasting, deeper impact on the lives of their families and communities (e.g. health, children’s education and the nutritional status of the family). As a result, women are often viewed as agents for ensuring that microfinance confers the greatest possible benefit on the greatest number of people.

Women's higher repayment rates have led many MFIs to specifically target women, and many use outreach statistics as evidence of the financial inclusion of women. However, this indicator tells only part of the story. In a recent social performance survey conducted by the Mix Market, it was highlighted that although only 20% of participating MFIs included women in their mission, more than 80% of the institutions claim to target women and 57% of MFIs features “women’s empowerment” as a development objective. However, most institutions have not made systematic efforts to serve women well. Furthermore, higher participation rates of women do not necessarily mean that women are directly benefitting from the loan.

Simply providing women with access to financial products and services is not a measure of how well women are being served nor does it ensure the maximization of wealth and women’s empowerment. Developing a true understanding of the needs, goals and behaviors of women through market research, customer segmentation, and customer insight and integrating the learnings into the product design, packaging, and delivery is the only way to ensure that MFIs are meeting the needs of the women’s market and, in turn, their social objectives. Focusing on women is a way of building lasting relationships with key customers that can result in increased market share for the MFI and customer satisfaction for all customers—including men.

The increased efforts by the industry to include social performance into MFIs’ management, reporting and evaluation systems – most notably through the development of the Universal Standards - provides us with the opportunity to ensure that “gender performance” is effectively integrated into this initiative.

## **OBJECTIVE**

The Social Performance Task Force (SPTF) has drafted a set of Universal Standards for MFIs, including objectives for institutions to meet these standards and guidelines/benchmarks for evaluation of achievement. While understanding that specific guidelines will vary in different cultural/regional contexts, the SPTF Gender Working Group would like to present the following unified vision for the role of “gender performance” in these Standards.

---

<sup>1</sup> UNDP, 1995, Human Development Report, Oxford University Press, New York.

As the development process reaches its culmination with the finalization of the Standards in Q4 2011, the Gender Working Group members involved in Universal Standards working groups, or otherwise contributing to the completion of these standards, will advocate for the following principles<sup>2</sup>:

- Gender disaggregated indicators – beyond % women borrowers - must be included as guidelines and benchmarks for evaluation of achievement throughout all the Standards.
- Market research and customer segmentation should be emphasized to better understand the cultural context, household dynamics and needs of clients - particularly women -and inform the design of products.
- Principles for client protection and transparency must take into consideration the unique needs of women and men clients.
- Gender diversity in management and governance is critical to enhance the balance of experience and perspective at the institutional level, as well as ensuring that target markets (especially women) are well represented and served.

## **SPECIFIC FEEDBACK**

This section looks at the seven categories of the Standards and defines how gender should be incorporated in each proposed standard, the objective for an institution in meeting that standard, or the proposed guidelines/benchmarks for evaluation. This feedback includes the comments and responses from all SPTF members for the draft Standards that were circulated.

### ***Social Goals and Target Clients***

Standard (1a) The institution has a defined social mission, clear social objectives, and target clients.

- This Standard states that “defining target clients is essential to delivering products and services that meet their needs,” however no further guidance is given on how to define target client segments. In achieving social mission, almost all microfinance institutions seek to target low-income or poor populations. As women make up the majority of the poor, it stands to reason that institutions should be targeting women clients. While targeting women as a distinct client segment will differ according to each market and institution, the benchmarks for achievement should certainly include indicators to measure success in this area.

### ***Governance and Employee Commitment to Social Goals***

Standard (2a) Members of the Board of Directors are committed to the institution’s social goals.

- This Standard states that “institutions should actively recruit board members who will bring a diversity of views to the Board.” An appropriate balance of expertise (social and financial) is mentioned in terms of Board composition; however there is no reference to gender diversity. The diversity of experiences and perspectives that women can bring is a key component of a well-managed board, and this should be reflected in the guidelines for this Standard. In addition, Board members – whether male or female – should have a clear understanding of gender issues in order to help the institution fully meet social objectives.

Standard (2d) Social performance information is integrated into regular management reports and strategic planning.

- This Standard should include guidelines that social performance information be gender disaggregated.

---

<sup>2</sup> These principles are based on the compiled feedback to the Universal Standards provided by all the members of the Social Performance Task Force.

Standard (2f) Employees are evaluated on their job duties related to social performance.

- While “outreach to women” is already mentioned as a guideline for evaluating employee social performance, we need to go beyond outreach and set specific benchmarks for “targeting” the women’s market. Additionally, employees should be evaluated based on key performance indicators that relate to social performance, namely how well they are serving the women’s market (e.g., customer service, customer satisfaction and retention rates, brand loyalty, etc.). In fact, high customer satisfaction levels among existing women customers will likely have the cyclical effect of expanding the customer base and increasing market share especially in target markets.

### ***Protecting Clients’ Rights***

Standard (3a) Appropriate product design and delivery.

- Taking client demographics and behavioral segmentation into account when designing products and delivery channels that protect clients is particularly important for women in many cultural contexts. For example, confidentiality is an important issue for many women. MFIs must ensure that women are able access financial products in a convenient and private manner, and must take into consideration household and community dynamics that can impact the safety and security of women clients.
- Institutions also need to address the specific gender-based social, cultural and legal barriers that women face in accessing and controlling financial products and services. It is therefore important to analyze the relative physical mobility of women clients, economic security, ownership of productive assets, involvement in major household decisions, relative freedom, political participation etc. Research has shown that while many women take a loan in their own name, the assets are actually controlled by their husband. It is important to consider issues of gender inequality within the household when designing products and services. While this is often the result of the cultural context, MFIs can try to protect women clients through product design and institutional policies. For example, policies that require male co-signatories or guarantors may exacerbate issues of control. Products and services must be tailored to women to ensure that their financial rights are protected.
- Ensuring control of financial assets can directly affect women’s feelings of empowerment – a social goal of the majority of MFIs<sup>3</sup>. To effectively target and serve women customers, it is essential for MFIs to have a deep understanding of the roles that women and men play in both the economy and the household, and the gender-based social and economic factors that drive behaviour and impact financial decision-making. This is the first and most important step in developing targeted, customer-driven products and services that will ensure that customers - both women and men - are receiving products and services that meet their financial and lifecycle needs and goals.

Standard (3c) Transparency

- Transparency is particularly important when working with clients who face challenges with education levels and literacy – all too often women. Providers must ensure that communications on pricing, terms and conditions of products are clear to all clients. One way to address this need is to require MFIs to develop alternative / supplementary marketing materials that are designed for semi-literate and illiterate clients, but that can also be used by literate clients (e.g., visual communication tools). MFIs should provide financial literacy and awareness building sessions regarding the effective utilization of credit in order to enable women to take wiser decisions.
- Institutions must also take into consideration cultural differences and the particular needs of women clients. For example, research has found that women in many cultures are unwilling to ask questions, especially in the public sphere. Staff must be trained to ensure that they not only message an openness to answer questions to women clients, but also anticipate their needs. This has the additional benefit of enhancing customer service, which is highly valued by women clients.

---

<sup>3</sup> MIX Social Performance Report data.

Standard (3e) Fair and respectful treatment of clients

- This Standard should include guidelines to emphasize clear protocols for interacting with women clients, particularly for male staff.

### ***Products and Services that Meet Client Needs***

Standard (4a) The institution bases product and service offerings on the needs and constraints of target clients.

- MFIs should strive to build an institutional-wide competency around what low-income women clients are looking for, and reflect that in every aspect of the customer experience: marketing, advertising, operations, branch layout and design, product development, service delivery, staff training, human resources, etc. How well clients are benefitting must be regularly measured and the data used to drive improvements in the overall customer experience—from product development to operations to service delivery—using feedback mechanisms such as satisfaction surveys, and by analyzing key marketing indicators such as client retention and referral rates by gender. These will not only help improve the customer experience but also have the potential to increase a MFI’s market position and market share.

Standard (4c) The institution regularly collects feedback on client satisfaction and uses it to understand clients’ experiences with products, services and staff.

- Key performance indicators on marketing, such as customer satisfaction levels and retention rates will provide MFIs with insight into the effectiveness and/or appropriateness of a product or service, how well the institution is serving its customers, and areas for exploration/research. Additionally, customer behavioral data that is disaggregated by gender will provide deeper insight into the unique needs of an MFI’s entire customer base.
- Beyond client satisfaction, MFIs should also use this information to drive product and service innovation and to assess how well a MFI’s offerings are helping clients to achieve their goals.

### ***Social Responsibility to Employees***

Standard (5a) The institution’s human resource policies are transparent and protect employees.

- All organizations should have a gender policy, beyond anti-discrimination and anti-harassment policies, that outlines how women are recruited and promoted, as well as reasonable and fair working conditions for women (especially those with family or caregiving responsibilities).
- It is important that institutions monitor gender diversity in leadership at all levels of the organization, as both a social responsibility to employees and in order to ensure that the organizations “mirrors its market” to better understand and serve clients.

Standard (5b) The institution regularly assesses employee needs and satisfaction.

- Institutions must also assess employee satisfaction by gender, to better understand women staff concerns and needs. Staff satisfaction surveys often fail to capture implicit discrimination, barriers to women advancing in an organization, and cultural/attitudinal factors.

### ***Client Monitoring***

Standard (6d) Gender outreach

- All outreach data must be disaggregated by gender in order to allow MFIs to assess how well they are serving women versus men clients. Gender disaggregated indicators should be tracked by all MFIs – not only those that target the women’s market or include “women’s empowerment” as a social goal – as client segmentation analysis is important for all institutions. Indicators should also be more tangible



and measurable, such as market share of women and average loan size of clients by gender. *See full list of suggested indicators in Annex 1.*

Standard (6e) Women's empowerment/gender equality

- This is an important standard, however we must be sure to adequately define "Women's empowerment" and "gender equality." We also need to be sure that specific outcome benchmarks are identified.

## **SPTF Gender Working Group**

### Chair

Women's World Banking

### Members

Anne Hastings, Fonkoze

Carmen Velasco, Pro Mujer

Carolina Benavides, MiBanco

Celina Kawas, WWB

Elizabeth Lynch, WWB

Ewa Bankoiewska, Microfinance Centre

Frances Sinha, EDA Rural

Irina Aliaga Romero, Fundación PROFIN

Iris Lanao, FINCA Peru

Jaclyn Berfond, WWB

Janiece Greene, WWB

Laura Fleischer, Freedom from Hunger

Lisa Kuhn Fraioli, Freedom from Hunger

Marieke de Leede, SNS Bank

Mila Bunker

Norma Rosas Lizarraga, Prisma

Peter Bas Schreiken, Hivos

Radhika Desai

Rebecca Ruf, WWB

Sandhya Suresh, ESAF

Sandra U. Hart, Fonkoze

Tigist Tesfaye, Ethio Telecom

Yoliruth Nunez, Oikocredit

**Annex 8- WWB Funding Partners and Supporters 2011**

<b>WWB Funding Partners and Supporters 2011</b>	
<b>Core Funders</b>	
Government of Luxembourg	AusAID
Swedish International Development Agency (SIDA)	Government of Finland
<b>Corporations and Foundations</b>	
Accenture Foundation	KPMG Europe LLP
Barclays	The MasterCard Foundation
Bloomberg	McGraw Hill Companies
BP America Inc.	The MetLife Foundation
The Bill & Melinda Gates Foundation	Moody's Foundation
Cisco Systems Foundation	Nike Foundation
Citigroup Microfinance Group - New York	Phelps Family Foundation
Citi Foundation	Pfizer Foundation
Credit Suisse	Beth Roberts
Crown Family Philanthropies	May Seeman
Deutsche Bank Americas Foundation	The Stuart Family Foundation
Exxon Mobil Foundation	Susan Nora Johnson and David Johnson Foundation
FACT French American Charitable Trust	Symbiotics
Frances Alexander Foundation	Triodos Bank NV
The Goldman Sachs Foundation	The Vanguard Group, Inc.
HSBC	VISA
James and Dorothy Baer Foundation	White & Case LLP
JP Morgan	Mike Useem
K2 Advisors	Vitol Charitable Foundation
<b>Government, Multilateral and International Organizations</b>	
Agencia Española de Cooperación Internacional para el Desarrollo (AECID)	The Inter-American Development Bank (IDB)
Cordaid	Irish Aid
Corporación Andina de Fomento (CAF)	The Government of Germany (BMZ)
Hivos	New Zealand Aid
ICCO	United Nations Capital Development Fund (UNCDF)

*Only contributions of \$10,000 are listed.*