



OPPORTUNITY
International

TRANSFORMING LIVES

SOCIAL
PERFORMANCE
REPORT 2015

TRANSFORMING LIVES

Opportunity International's mission is to empower people living in poverty to transform their lives, their children's futures and their communities. We are part of a global community with a track-record of effective poverty reduction, reaching 12 million people globally with microfinance and other services to alleviate poverty.

Poverty is persistent and complex, and continues to affect one-third of the world's population. In everything we do, we put the people living in poverty who we work with – our clients – first, remaining focused on how we can grow and improve our programs to maximise our impact.

Our approach to alleviating poverty is framed by Social Performance Management, which is about effectively translating our social mission into reality. Social Performance Management ensures that we understand clients' needs and equips us to design products and services that will enable them to most effectively transform their futures and their communities.

This, our second Social Performance Report, shows how we have continued to roll out our global strategy. We cover the insights we have gained, the many innovations that have resulted and how we will continue to improve outcomes for our clients through the use of consistent and comprehensive social data. Social data presented in this report, unless otherwise specified, was collected through client surveys between 2014 and 2015.

This report exemplifies our commitment to transparency, learning and – most importantly – transforming lives.

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Pictured: Sahid, rubbish recycler, Shikhar client, India.

Cover: Maryam Sanyagalo, market/food vendor, Opportunity Tanzania client, Tanzania.

POVERTY AROUND THE WORLD



One in nine people in the world are **undernourished**



One in seven people still practise **open defecation**



One-quarter of the world's 836 million extreme poor **live in India**



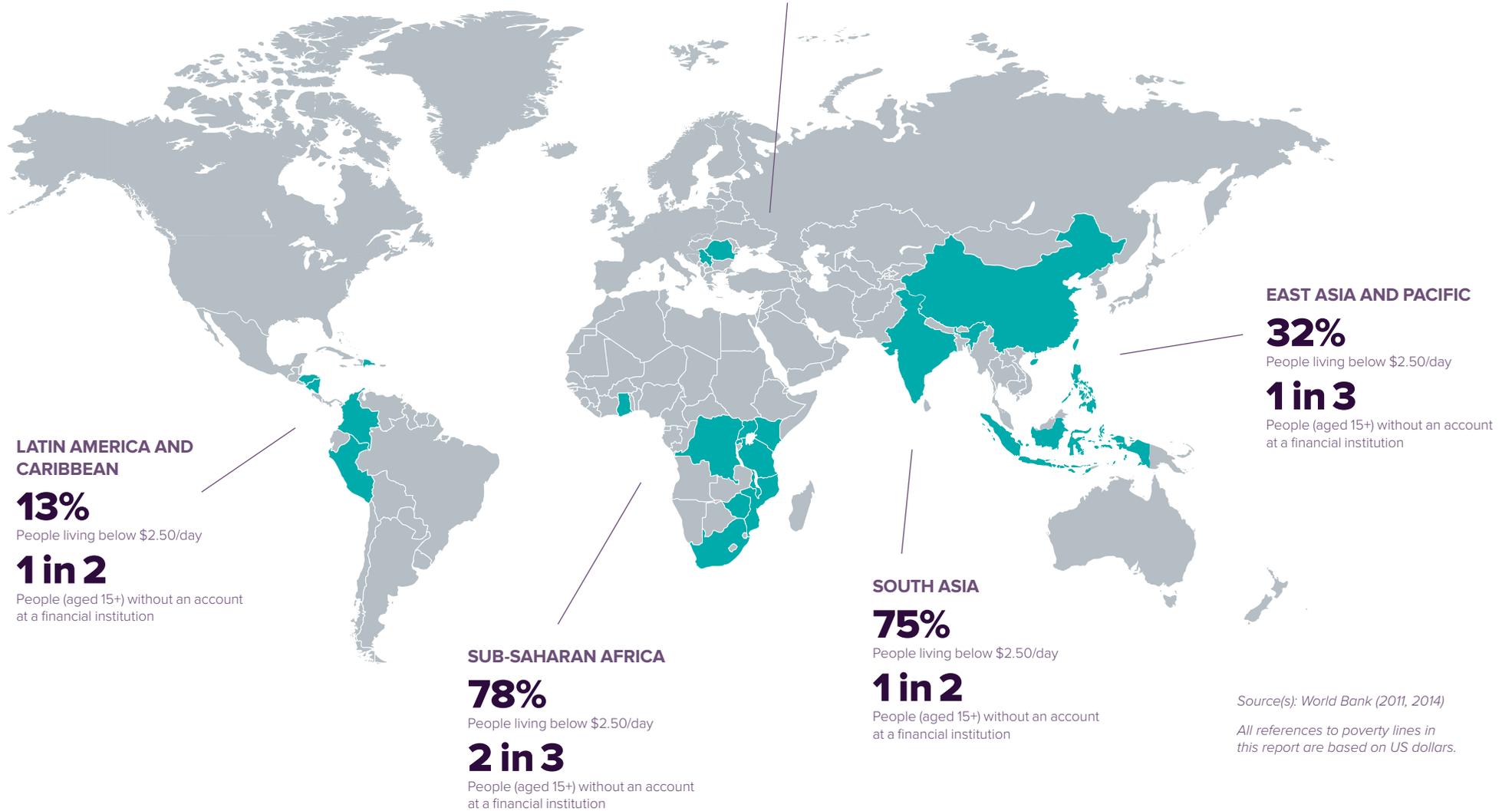
16,000 children under five die every day, mostly from **preventable causes**



Two-thirds of Africa's women cannot **read or write**

Source(s): World Bank (2014)

Opportunity's programs



Source(s): World Bank (2011, 2014)
All references to poverty lines in this report are based on US dollars.

ABOUT OPPORTUNITY

Opportunity empowers people living in poverty to transform their lives, their children's futures and their communities through financial services and training. We achieve this through our global network of more than 40 socially focused microfinance partners.

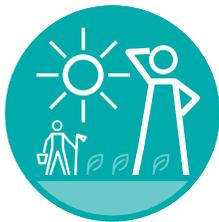
With over 40 years' experience in microfinance, we have seen the powerful ripple effect that's created when a woman can access a loan to start a business, open a bank account to secure savings, purchase insurance and participate in training opportunities – she is able to strengthen her family, create jobs and fuel local economies.

In our diagram to the right, we explain the theory behind this transformation through Maria, whose story represents that of a 'typical' client.

THE NEED

Maria's limited and uncertain income means she cannot provide for her family's basic needs.

- She and her husband never went to school and can't afford to educate their two children.
- She has no toilet or clean water in her house.
- She and her family have never had access to a hospital.



OUR RESPONSE

Maria accesses a small loan to start her own tailoring business.

- This opens the door to a range of other financial services like savings, insurance and pensions.
- She also receives training and access to other learning opportunities and community services.

THE IMPACT

Maria has the capacity to earn an income and can now give her family access to health, education and other basic services.

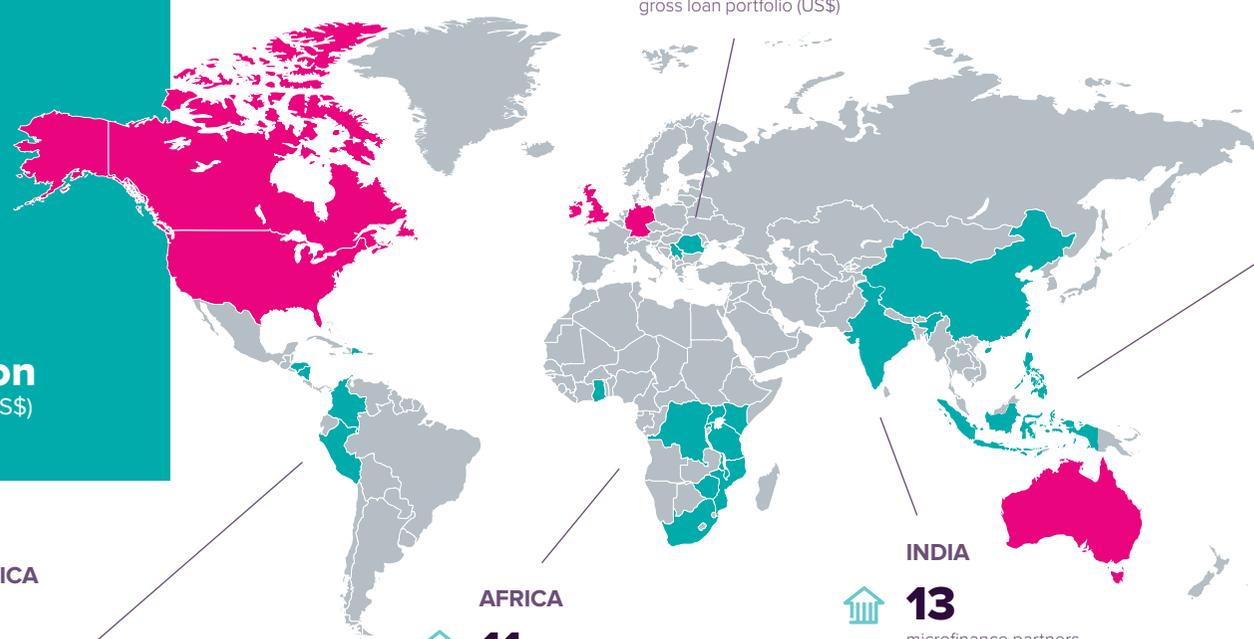
- Maria's life has changed.
- She gave birth to her third child in a hospital.
- Her children are going to school.
- She feels safe and is hopeful for her family's future.



WHERE WE WORK

OPPORTUNITY NETWORK

- 43** microfinance partners
- 3.6 million** loan clients
- 4.3 million** voluntary savings clients
- 11 million** people insured
- \$841.6 million** gross loan portfolio (US\$)



EASTERN EUROPE

- 3** microfinance partners
- 37,000** loan clients
- 57,000** voluntary savings clients
- \$107.4 million** gross loan portfolio (US\$)

ASIA (excluding India)

- 9** microfinance partners
- 968,000** loan clients
- 324,000** voluntary savings clients
- 2.8 million** people insured
- \$155.9 million** gross loan portfolio (US\$)

LATIN AMERICA

- 7** microfinance partners
- 60,000** loan clients
- 66,000** voluntary savings clients
- 10,000** people insured
- \$52.7 million** gross loan portfolio (US\$)

AFRICA

- 11** microfinance partners
- 348,000** loan clients
- 1.6 million** voluntary savings clients
- 4.1 million** people insured
- \$104.1 million** gross loan portfolio (US\$)

INDIA

- 13** microfinance partners
- 2.2 million** loan clients
- 2.3 million** voluntary savings clients
- 4.1 million** people insured
- \$421.6 million** gross loan portfolio (US\$)

- Network support members
- Network implementing partners

Network implementing partners provide services directly to our clients, with financial and other support from the Opportunity Network support members.

Data as at 31 March 2015

OUR APPROACH TO MICROFINANCE

MANAGING OUR SOCIAL PERFORMANCE

At Opportunity, we believe in the power of people. That's why we give a hand up to individuals – the people we work with are best placed to know what they need to transform their lives and their families. But as a global microfinance network with a social mission, we need to know whether we are truly achieving our mission.

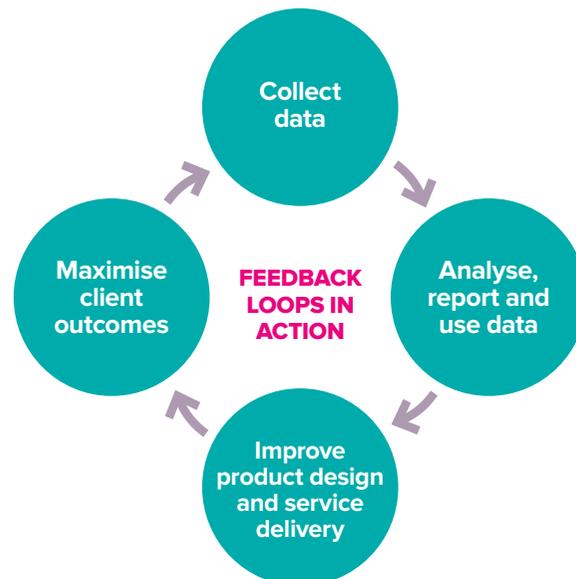
To answer this question, we need relevant, reliable social data. Through Social Performance Management, we are able to collect information across a range of social indicators. Data on these indicators comes from the various regions and partners we operate with, with the aim of providing all stakeholders – from our microfinance partners through to our supporters – with

sufficient social performance information to drive decision making. Our intention is that with an ongoing supply of social data, these decisions will lead to better outcomes for our clients and their families.

As with any other information system, our aim is to systematise and embed the collection of social data into our everyday activities. This is not an easy task. It involves significant capacity building, healthy debate and hard work as we identify the information we need, how we should collect it, and then most importantly, how we use it to guide better social performance.

Our vision is that through Social Performance Management we can facilitate best practice microfinance that leads to continuously improving outcomes and greater transformation for the people we serve.

The principle of performance management is simple, but embedding social data into everyday decision making is not an easy task.



MEET LOVIA FROM GHANA

Lovia is a farmer and mother of eight-month-old twins. She grows plantain, cocoa, palms, vegetables, maize, and pepper on her farm. Despite her hard work, Lovia continued to have poor harvests year after year.

Then a friend told her she could learn about modern farming techniques and receive high quality seed and fertiliser through Opportunity.

In 2009 Lovia joined Opportunity International Savings and Loans (OISL) in Ghana and has since received access to credit, higher quality inputs such as seeds and fertiliser and education to help her improve her harvests and income.

This access has helped Lovia so much that she has now gone on to form the Bohyeba Farmer Group after she moved to Offinso, a neighbouring province. Now she and six other vegetable farmers are continuing to benefit with increased productivity and better incomes.

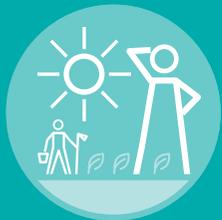
Lovia works hard and is driven by her desire to provide a secure future for her family. "I do my very best as a farmer. I was able to harvest two trucks of maize alone last year," she says. Lovia now employs eight labourers to help her with everything from land preparation to harvesting. Her family owns the farm land.



THREE QUESTIONS TO UNLOCK GREATER IMPACT

How do we maximise impact? By reaching those in need and responding with solutions that bring about positive change in their lives.

The key to unlocking greater impact is to constantly ask these three questions and then use collected social data to deliver continuous improvement.



THE NEED: ARE WE REACHING PEOPLE LIVING IN POVERTY?

Our mission is to empower people living in poverty to transform their lives, their children's futures and their communities. To be certain we are achieving this mission, we need to understand our clients' circumstances when they join our programs. Low income is a factor in poverty, but so too are lack of access to basic services as well as vulnerability to shocks. Data on these dynamics can help us understand and improve our outreach to those in need.



OUR RESPONSE: ARE WE MEETING CLIENTS' NEEDS?

Opportunity is committed to listening to clients and giving them a voice. This means collecting their feedback on products and services and responding with improved services. It also means implementing best practice as set by industry standards, ensuring our clients get access to effective, fair and transparent financial products and services.



THE IMPACT: ARE WE TRANSFORMING CLIENTS' LIVES?

We also need to understand how our clients' lives are changing and, as far as possible, understand the contribution our programs and services are making to those changes. This means establishing a clear vision of what transformation looks like and then building a baseline of data to assess what changes have occurred over time.



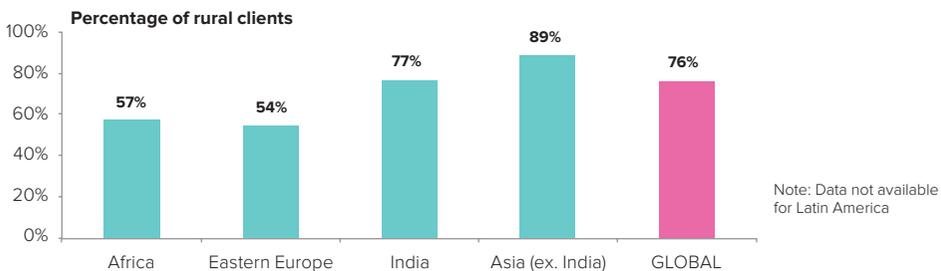
THE NEED: ARE WE REACHING PEOPLE LIVING IN POVERTY?

WHO ARE THE PEOPLE WE SERVE?

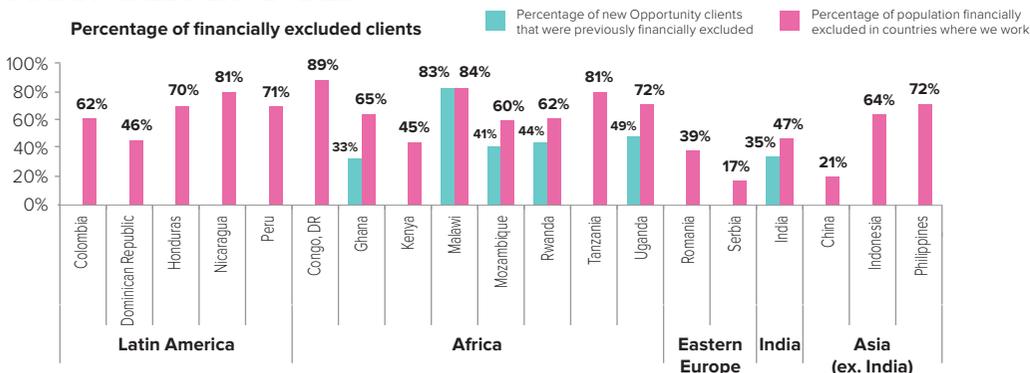
FEMALES



RURAL



FINANCIALLY EXCLUDED



WHAT WE'VE LEARNED

Opportunity is reaching **3.5 million women borrowers** through a suite of financial services, including financial literacy, tailored to meet their needs – **95% of Opportunity clients are female.**

Opportunity provides financial and other services – including agriculture loans – tailored to meet the needs of rural populations and is reaching at least **2.6 million rural borrowers.**

Half of our new clients surveyed in Africa had no access to loans or savings with a financial institution before joining our network.

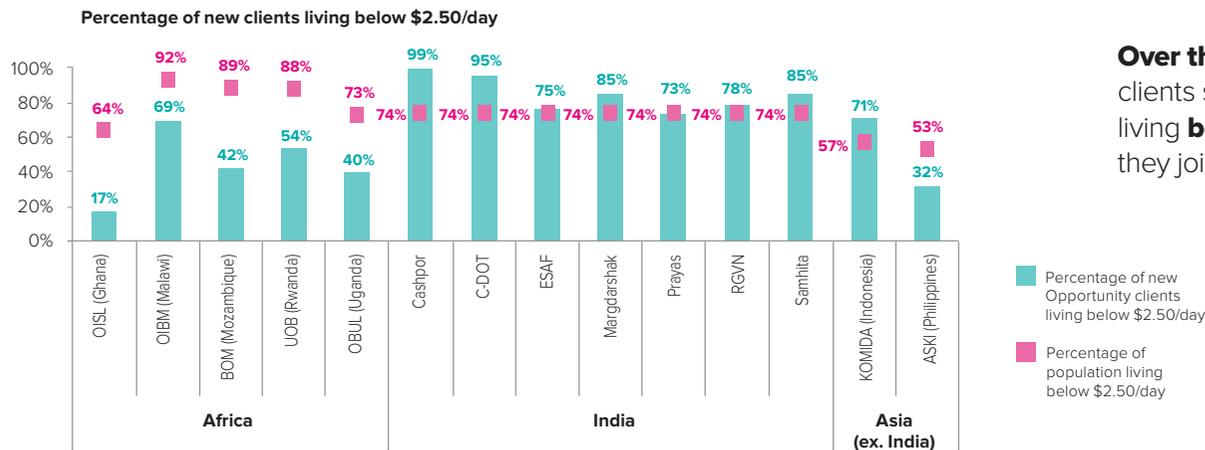
WHY THIS MATTERS

Globally, only **57% of women** and **64% of men** have an account with a financial institution. The disparity is greatest in India.

Globally, just **56% of people in rural areas** have access to financial services. This is only **24% in Sub-Saharan Africa.**

2 billion adults around the world do not have a bank account of any type.

LIVING IN POVERTY



WHAT WE'VE LEARNED

Over three-quarters of new clients surveyed in India were living **below \$2.50/day** when they joined our network.

WHY THIS MATTERS

Over 2.5 billion people in the world are living **below \$2.50/day**. A large proportion are in the areas we work – India, Africa and East Asia.

Source(s): Partner data, World Bank (2005 – 2014)

SNAPSHOT: HOW WE MEASURE POVERTY

The Progress out of Poverty Index® (PPI) is a country-specific poverty measurement tool developed by Grameen Foundation. It is statistically sound, yet simple to use: the answers to 10 questions about a household's characteristics (eg education levels, drinking water source) and asset ownership are scored to calculate the likelihood that the household is living below the poverty line.

Using this tool, pro-poor organisations that collect poverty data from a statistically significant sample of households are able to:

- **Measure** poverty outreach (ie the portion of clients who live below the poverty line)
- **Assess** the performance of their services among the poor and poorest
- **Track** poverty levels over time.

With this data, management can make informed decisions about what services to provide and how and who to provide them to. Social data can provide stakeholders with objective evidence that the organisation is reaching the poor and vulnerable.

At Opportunity, we promote the use of the PPI across our partners as a management tool to improve outreach to people living in poverty.

From the social data we've collected, we know that Opportunity's partners are generally successful in targeting poor communities and families. In some cases, data suggests there is still potential to better target those most in need. This is because poverty is complex and reaching people living in poverty is even more complicated – it is not always enough just to open a branch in an area with high poverty rates. By monitoring and responding to social data, our partners will be able to improve their outreach and better serve the poor.

SNAPSHOT: WHO ARE WE REACHING IN INDIA

Poverty is not only defined by income levels but also by the availability (or lack) of services considered essential to basic standards of living. This includes clean drinking water, sanitation, health and education, as well as access to information and technology. Among those living in poverty in India, females are significantly affected. At the same time, populations living in rural areas of the country not only have higher poverty rates, but they demonstrate higher levels of exclusion

from essential services. Opportunity's partners have a strong focus on reaching rural and female clients. In India, 100% of our clients are female and 77% live in rural areas. Understanding where clients do or do not have access to basic services, in addition to estimating their income levels, will help our partners to better profile their client base and understand their needs, enabling them to design products and services accordingly. Read more on pages 16-17.

This map shows data from six of our 12 microfinance partners in India, who provide microfinance services to a total of 1.8 million clients. Data comes from a significant and relevant sample of new clients at each organisation.

INCREASING ACCESS TO EDUCATION



Many of our clients in India did not have the opportunity to go to primary school. In India today, 1.7 million children still do not attend school. Historically, a lack of access to education, particularly for girls, has led to low literacy rates and a large gender gap. Only 65% of women in India are literate, compared with 82% of men. At Opportunity, we believe strongly in education, particularly female education, as a means to reverse the cycle of poverty. Through our partners, we target those with a lack of access to education. Data from a sample of clients from our partner C-DOT in the state of Bihar revealed that 78% of new clients were in households where girls were not attending school. C-DOT has started providing loans for education as well as financial education to its clients. We are working with all of our partners to empower women with access to financial services and education so that they are able to provide for their families and send their children to school.

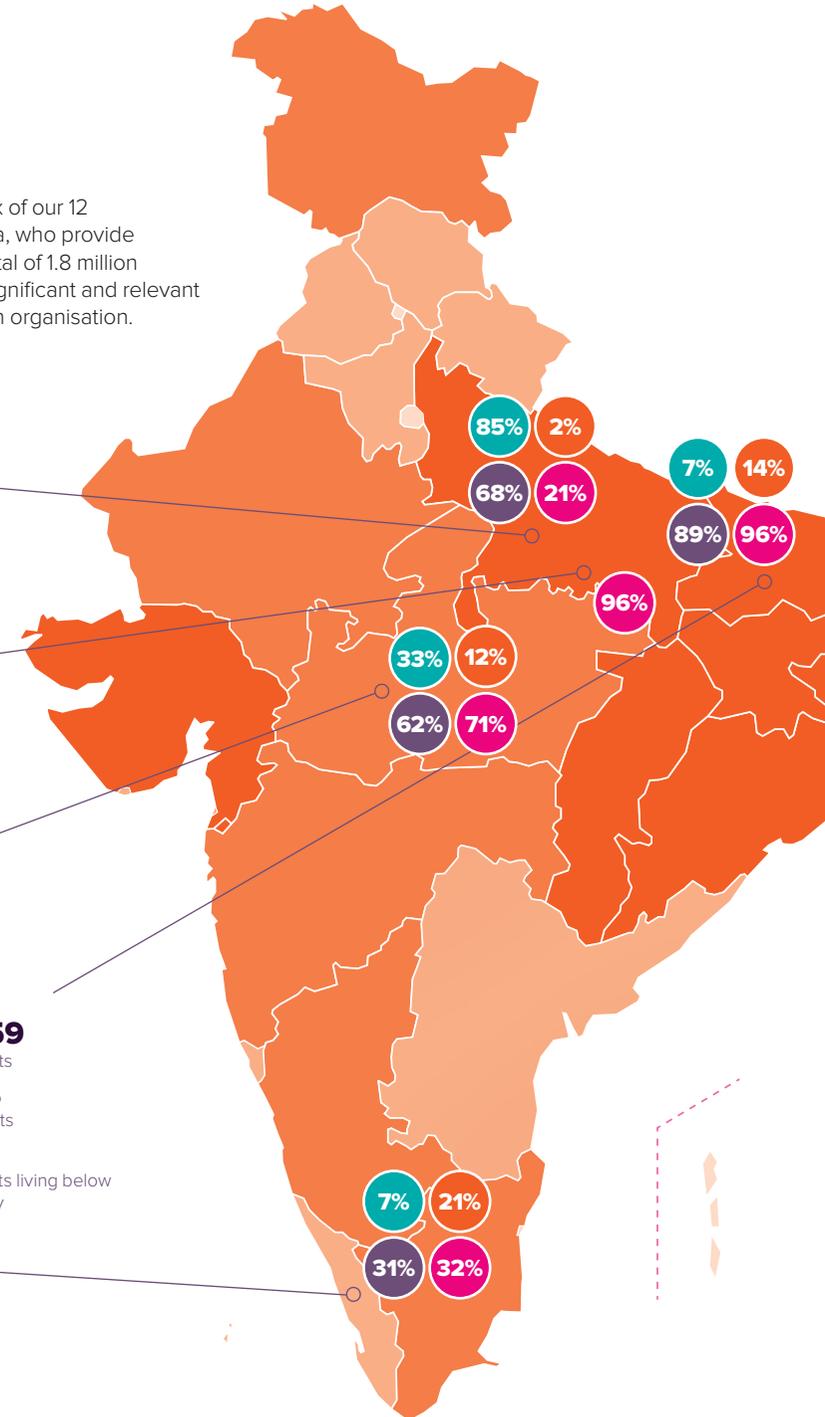
CASHPOR
886,695
 loan clients
95%
 rural clients
99%
 new clients living below \$2.50/day

SAMHITA
87,207
 loan clients
48%
 rural clients
85%
 new clients living below \$2.50/day

ESAF
566,872
 loan clients
65%
 rural clients
75%
 new clients living below \$2.50/day

MARGDARSHAK
82,689
 loan clients
74%
 rural clients
85%
 new clients living below \$2.50/day

C-DOT
15,459
 loan clients
100%
 rural clients
95%
 new clients living below \$2.50/day





RGVN
245,241

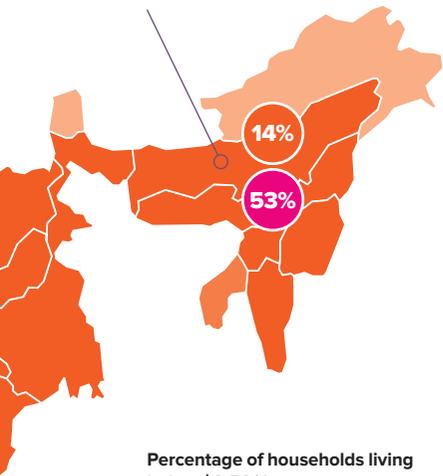
loan clients

87%

rural clients

78%

new clients living below
\$2.50/day



Percentage of households living below \$2.50/day

- Over 90%
- 81% to 90%
- 51% to 80%
- Up to 50%

Sanitation – Percentage of clients without access to a toilet.

Drinking water – Percentage of clients without access to clean and safe drinking water.

Cooking sources – Percentage of clients not using clean or efficient energy sources for cooking.

Mobile phones – Percentage of clients who do not own a mobile phone or landline.

SANITATION

In India, 64% of the population (approximately 791 million people) do not have access to sanitation facilities. In rural areas it is much worse – 75% of the rural population lack access to toilets, compared with 40% of the urban population. To address the health and safety issues associated with open defecation, our partners provide sanitation loans to help clients with the construction of sanitation facilities.

DRINKING WATER

In India, approximately 92 million people do not have access to improved sources of drinking water. Among these people, 79 million people live in rural areas. Improved water sources are those that are adequately protected from outside contamination – this might mean a well or a tap. While the health impacts of poor quality water are more readily apparent, time spent on water collection (a task often done by women) can also be a severe hardship as it takes away hours that could be used for productive activities like work or school.

COOKING SOURCES

With 87% of households in India cooking indoors, fuel sources such as firewood, kerosene, crop residue and cow dung pose significant health risks like respiratory diseases. In rural areas, usage is much higher with 87% of the rural population using these dirty fuels compared to 34% of the urban population.

MOBILE PHONES

As mobile phones are becoming increasingly prevalent even in the poorest areas of India, Opportunity’s partners can use mobile banking to enable higher outreach and impact of these services. In India, mobile subscriptions increased more than 18 times over the last decade to 944 million. But less than 2% of people living in poverty currently use mobiles to send or receive money. Mobile banking can provide clients with greater access to financial services and investments in mobile technology will have a significant social return.

Source(s): World Bank (2011-2012), Census India (2011), ITU (2014)

THE POWER OF SOCIAL DATA

The data in this map was collected from a representative sample of over 476,000 new clients accessing our services for the first time in the period April 2014 – March 2015. The power of this data is that it allows each of Opportunity’s partners to better profile clients and understand their needs and how these differ geographically.

- Data collected from these six partners demonstrates that our partners in India are truly reaching the most deprived families – those who not only live on less than \$2.50/day but suffer in other ways too.
- Data shows a broad pattern of greater deprivation in the north than in the south. However, there are still pockets of deprivation in the south that speak to greater problems of inequality. Without quality data, these pockets of deprivation risk being overlooked – so social data can inform more strategic outreach to ensure people don’t miss out on the basic services they need.
- Clients have many different needs and having a data-driven understanding of these needs is key for improving the design and delivery of our products. This baseline data will also help track the improvements experienced by these clients after accessing the services delivered by Opportunity’s partners. On pages 18-19, we examine how we are tracking these improvements over time using key indicators of change.

REACHING MORE PEOPLE LIVING IN POVERTY

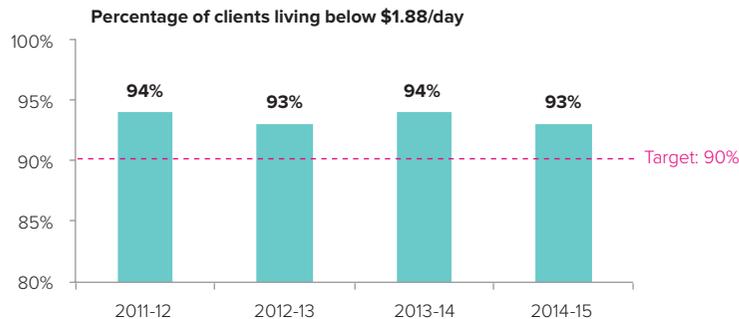
DRIVING BETTER OUTREACH WITH DATA

Two of Opportunity's partners in Asia, Cashpor and ASKI, are leading the way in collecting social data and using this information to improve their outreach to the poor.

CASHPOR, OUR PARTNER IN INDIA

To ensure it is serving households living in poverty (below \$1.88/day), Cashpor uses the PPI as a targeting tool (read more about PPI on page 9). PPI questions are asked of all new clients wishing to apply for a loan. A cut-off score of 29 out of 100 has been set for eligible clients – a result of less than 29 means that there is a 90% likelihood of living below \$1.88/day.

By assessing potential clients in this way, Cashpor is able to translate its social mission into practice. By collecting PPI data from all new clients, Cashpor is able to develop a baseline of poverty profiles so that the change in poverty levels for clients can be tracked over time.

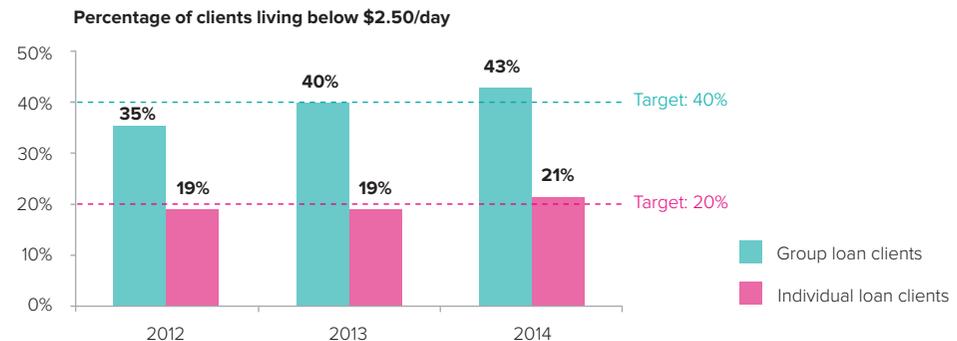


By embedding poverty data into its credit assessments, Cashpor has maintained a client base with very high poverty likelihoods.

ASKI, OUR PARTNER IN THE PHILIPPINES

ASKI has been using the PPI to improve client focus since 2009. When PPI data showed that poverty outreach was lower than intended, ASKI's management team started exploring strategies to ensure they were reaching more people living in poverty. In 2012, the Board of ASKI set a clear target that families reached through ASKI's group loan product must present at least a 40% likelihood of living below \$2.50/day.

Since 2012, ASKI has collected PPI data by taking a census approach, collecting data for all clients at every loan cycle. This means ASKI can monitor its outreach performance per branch and per product, while also tracking clients over time. Clients accessing group loans are expected to have higher poverty likelihoods (40% target) than individual clients (20% target). The insights coming from the data collected through the PPI have allowed ASKI's management to develop poverty metrics as part of field staff incentive schemes and therefore monitor and improve performance against targets. The graph below shows the improvement in poverty outreach through this approach.

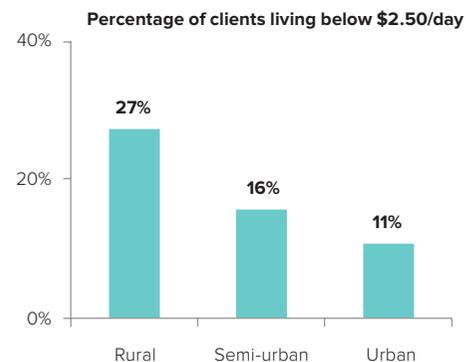


By using poverty data as part of its performance management system, ASKI is improving its outreach to people living in poverty.

USING SOCIAL DATA AND TECHNOLOGY FOR RICHER INSIGHTS

Opportunity’s partner in Ghana, OISL, uses client data to improve outreach to rural communities and female farmers in some of the poorest areas of the country.

OISL’s collection of PPI data showed that 16% of its surveyed clients live below \$2.50/day and that female clients, who make up 62% of surveyed clients, are poorer than male clients. The chart below also shows that rural clients are substantially poorer than urban clients. OISL uses this data to inform its strategy of improving outreach to rural communities and reaching more female farmers.



IMPROVEMENTS

- OISL is now involved in an initiative called Africa Growth and Innovations with four other Opportunity partners in Africa. This provides rural communities with access to high impact financial products and services in order to improve the household income and food security of rural clients.
- To reach more rural clients, OISL is expanding low-cost micro-branches and mobile banking.
- OISL is also opening a branch in Tamale in northern Ghana where poverty levels are nearly twice the level of the rest of Ghana.
- Moving forward, OISL’s branch expansion and product development strategy will be informed by PPI and other outreach data collected through the electronic data capture solution MeOS (Mobile enterprise Open Sky).
- In the future, OISL’s electronic data capture will also use a Global Positioning System (GPS) to map the locations of clients’ homes and farms. Land mapping will also enable households to access credit tailored to the size and needs of their family and farm. By providing farmers with the precise inputs they need, OISL is equipping its clients with services that will help farmers move into commercially active farming.

RESULTS

The results of OISL’s targeted approach to improving rural outreach are:

- The number of rural savings clients have grown to over 200,000.
- Rural accounts are 40% of the total 512,000 savings accounts in March 2015.
- Agriculture loans grew to over 18,000 loans by the end of 2014 (representing one quarter of all loans outstanding).

WHAT WAS THE OUTCOME FOR THE CLIENTS?

Existing rural clients are now provided with services and products which meet their needs and enable them to experience improved food security, improved health and better education outcomes. New clients who previously did not have access to financial services are being reached by different channels and OISL is contributing to growth in rural communities through its offerings of agricultural-related financial services, business services and market linkages. To read more about agriculture loans, see page 20.



Samuel Dwamena, OISL Officer, Ghana, with MeOS tablet.



OUR RESPONSE: ARE WE MEETING CLIENTS' NEEDS?

ENSURING CLIENT SATISFACTION

Opportunity's vision for transformation is one that is informed by the visions and voices of the families we serve. Therefore, at the heart of our commitment to social performance is ensuring that we have a range of tools and services that enable us to truly listen to clients. By listening, we can then improve and tailor products that meet the needs of families living in poverty.

To do this, Opportunity supports its partners to embed best practices and tools in their day-to-day operations so that listening is regular, systematic and places the client at the heart of the solution.

To ensure best practices in delivering microfinance services, Opportunity promotes SMART microfinance as set out by the Client Protection Principles of the SMART Campaign. These are the minimum standards agreed by the global microfinance sector that ensure clients are treated fairly and respectfully. SMART microfinance also has a strong focus on using client feedback tools, such as those pictured in the diagram below. These allow for appropriate design of products and services, with the end goal of putting the clients and their needs at the centre.



SMART MICROFINANCE

SMART Certification is an extremely high standard of best practice in microfinance. Since 2013 the SMART Certification process has offered an independent, objective seal of confidence that a financial institution is doing everything it can to treat its clients well and protect them from harm. To date, SMART Certification has only been achieved by fewer than 50 institutions globally. As part of Opportunity's commitment to best practice in client-focused microfinance, we are working with our partners to assist them in their journey towards Certification. Opportunity has three certified partners: Cashpor (2013), OBS (2014) and ASKI (2015). Many more are working towards it.

BENEFITS FROM CERTIFICATION

Opportunity Bank Serbia (OBS, serving 28,000 loan clients) achieved SMART Certification in March 2014. There were considerable benefits including increased staff engagement and loyalty, improved client retention and lower funding costs.

Scan the QR Code with your smart phone to watch this video showing Opportunity Bank Serbia's experience becoming certified.



ACHIEVING CERTIFICATION

In July 2015, Opportunity's partner ASKI became the first microfinance organisation in the Philippines to be SMART Certified. This followed a concerted program by ASKI over 18 months to implement best practices to the benefit of their clients, and achieve Certification.

"This process will be beneficial for ASKI's clients. It is so comprehensive that it targets every aspect of the operations in dealing with the client. We were able to outline the ethical practices and procedures; we became more sensitive in engaging the client, introducing products that they want and making all products a choice to the client. I can see many benefits coming out from the Certification. Client welfare is the most important one."

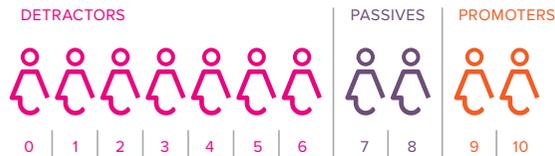
Jane Manuccdoc, Head of Operations, ASKI



MONITORING CLIENT SATISFACTION

Opportunity Bank Uganda (OBUL, serving 136,608 clients) is committed to listening to its clients. But more importantly, it is also committed to responding to their feedback. This knowledge can not only improve client outcomes but also promote better financial and operational performance among Opportunity's partners.

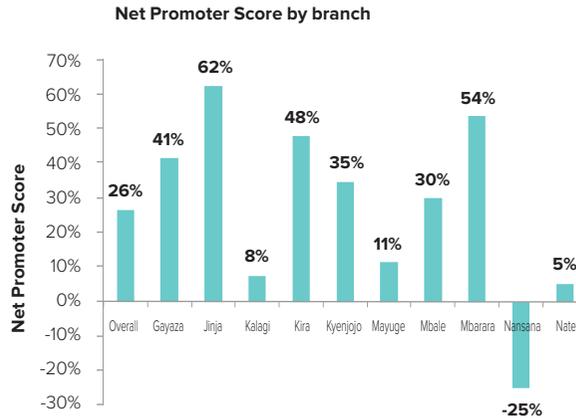
The Net Promoter ScoreSM (NPS[®]) is a customer loyalty metric developed by Fred Reichheld, Bain & Company and Satmetrix. It is a simple but powerful management tool that can be used to measure client satisfaction and is currently being rolled out with selected partners. Clients are asked, "How likely are you on a score of zero (least likely) to 10 (most likely) to recommend this organisation to others in your community?".



NET PROMOTER SCORE = PERCENTAGE OF PROMOTERS – PERCENTAGE OF DETRACTORS

OBUL's pilot NPS results, from 10 of their branches, suggested that there were large differences in client satisfaction levels between branches.

As a result, the management team became more aware of ways in which customer care could be improved at some branches.



HOW WERE CLIENTS' NEEDS MET?

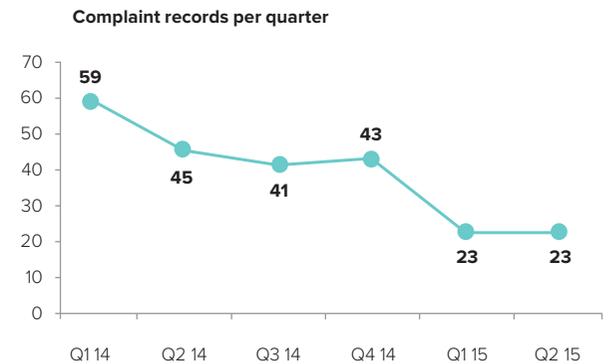
- OBUL created a new position of Customer Service Representative at Head Office to address and improve key aspects of customer service across the organisation.
- Customer care training was conducted over three days covering Client Protection Principles and customer service for Branch Managers and Branch Operations Managers.
- The Branch Managers trained loan officers on best practices and the importance of excellent customer service.
- Management also resolved to monitor branch by branch client retention on a monthly basis.

The overall outcome has been improved service to clients. Overall, client retention rates rose from 95% to 98% over the four months following the training.

LISTENING TO CLIENTS' CONCERNS

Opportunity Colombia (OICCF, serving 28,661 clients) has a sophisticated and effective client complaints mechanism in place. Once the complaint reaches the Head Office, it can be classified as a question, a complaint, or a claim (where the client has a financial problem due to the product or service). Depending on the type of complaint, the department handling complaints has up to 15 days to reply and resolve it. Complaints are categorised in terms of importance and urgency and this determines response time required.

By putting in place a systematic way of listening to clients, OICCF is able to improve the design of its products and services and monitor the way it delivers these. Through this mechanism, OICCF responds to client complaints in a timely manner. The data below shows the number of complaints per quarter. Since 2014, client complaints have decreased, reflecting the organisation's ability to respond to clients' feedback.



Source(s): Partner data

DESIGNING PRODUCTS TO MEET CLIENTS' NEEDS

While it is vital to collect feedback from clients, it's even more vital that this information is acted upon. This means responding to clients' voices by tailoring better products and services to meet the needs of the families we serve.

How we meet our clients' needs

Listen to clients to understand their needs and the needs of their community.

Design and adapt innovative products and services to meet those needs. This also means committing to the costs, risks and challenges necessary.

Deliver products and services effectively by drawing on in-house or partner expertise.

INNOVATING WITH TECHNOLOGY: MOBILE MONEY IN RWANDA

WHAT DID CLIENTS NEED?

Urwego Opportunity Bank of Rwanda (UOB, serving 284,000 clients) provides loans and other financial services that help Rwanda's predominantly rural and agriculture-based population to cover their daily household cashflow needs despite variable seasonal income. Farmers use UOB loans to fund inputs like seeds and fertiliser, as well as to cover the costs of transportation and storage after harvest.

When reviewing the needs of clients at the start of 2013, UOB found that demand for loans and other financial services was restricted because repayments and group meetings took clients away from their farms or businesses on a regular basis. There were also significant security issues affecting group loan clients who needed to travel with cash to make repayments at branches.

HOW DID WE RESPOND?

UOB responded to this need by launching its mobile phone banking service, mHose, in partnership with Visa. Mobile money allows clients to manage their accounts, pay their loans, send and receive money, pay their bills and deposit and withdraw money from a network of agents. The reduction in the cost of delivery is up to 80%, meaning that more people living in poverty can be reached with a wider range of services.

But after the launch of mHose, UOB research showed that clients were not using the new service to save. So UOB redesigned the mHose savings product to better meet clients' needs by reducing withdrawal charges and increasing interest rates.

Earlier this year, UOB also launched a new, flexible savings product with popular mobile financial services provider Tigo Cash. This savings account allows Tigo Cash customers to open an account with UOB and transfer money between their Tigo Cash wallet and their UOB wallet. This allows them to be able to earn interest on their balance (as UOB is a bank and Tigo Cash is not).

UOB also offers microinsurance products exclusively through mobile banking, making these financial tools more accessible to clients. As an added incentive, UOB offers its clients the opportunity to earn life insurance for themselves and their family members based on the balance in their mHose accounts.

UOB is building a reputation for not just introducing new products and services to meet demand in the market, but also for collecting and analysing client feedback and acting on that feedback to adapt products and services that give clients what they need to move out of poverty.



“mHose brought security for all of us. Before anyone could pass by you, count your payment and grab the money and run away. It meant big losses to all of us. In addition, using mHose, I no longer lose time waiting in line to be served by a teller. Nowadays, I pay everything through mHose while serving my clients. For example, when I am paying my bills I can also serve four clients or more at the same time – that’s money. mHose is a God-sent service.”

Verdiane Mukarukaka, market vendor, UOB client, Rwanda



ENHANCING PRODUCT DESIGN: SAVINGS IN INDONESIA

WHAT DID CLIENTS NEED?

KOMIDA, Opportunity's partner in Indonesia, has provided loans to clients living in poverty for nearly a decade. It recently conducted an assessment of clients' needs and found that many people required access to large sums of money to cover non-business costs in their communities and households such as medicine, funerals and festivals.

Without access to formal savings accounts, many of KOMIDA's clients were simply unable to save to meet these needs. This meant they were forced to hold assets in cash, gold or other informal savings mechanisms, placing these assets at risk of loss or theft as well as pressure to spend or loan out cash to family and friends.

Mrs. Suarti and her husband, market vendor, KOMIDA client, Indonesia.



HOW DID WE RESPOND?

In response to these needs, KOMIDA developed a suite of interest-earning savings packages for clients to choose from. Clients are able to withdraw funds after four months, by which time they have accumulated a significant enough amount of savings to cover personal expenses. Since launching at the start of 2015, KOMIDA is now providing 19,454 people with savings accounts.

“Before having savings accounts, many of KOMIDA’s clients were facing financial stress on an annual basis because of their commitments in cultural festivals, as well as other unexpected shocks. Our clients have been very excited by the (savings) product because they now have sufficient savings when they need them.”

Ruslianah Syaflië, Social Performance Manager, KOMIDA

PARTNERING FOR IMPACT: HEALTH IN INDIA

WHAT DID CLIENTS NEED?

In Bihar and Uttar Pradesh, two of India's poorest states, poverty goes hand-in-hand with health problems. In Bihar, as few as two in every 10 people have access to a toilet. Our partner, Cashpor, recognised that families like Nisha's suffered from poor health practices and health outcomes, even compared to other poor rural areas of India. Driving this was a lack of awareness and understanding of basic, life-saving health knowledge such as nutrition, sanitary practices and neo-natal care. This prevented clients from running their businesses and benefitting from microfinance, while also keeping them trapped in poverty.

HOW DID WE RESPOND?

In 2013, Cashpor entered into partnership with the Healing Fields Foundation (HFF), a not-for-profit providing health education and advice through a training program to empower women living in rural Indian communities.

Through the trust that Cashpor had built up by providing financial services to these communities, Cashpor's loan officers were able to collect information on target communities' health education, practices and needs. HFF has since provided training to over 2,000 local women, known as Community Health Leaders. After six months of training, the women go on to deliver health advice to over 200 families each.

As part of this partnership, Cashpor also introduced health-focused products, including loans for toilet construction and clean-cooking stoves, with HFF advising on provision of these products based on their experience in delivering health education and services in India.

Cashpor also adapted their systems to include monitoring of Health Leader activity. A mobile phone application used by loan officers to collect data on financial transactions was adapted to include information on health education training provided, including training modules covered, clients attending and understanding of material taught. This has helped identify persistent healthcare problems and provide further education and support where required.



“Our family’s situation improved with a loan. Then I became a Community Health Leader. Helping other families with health education has given me respect within my community.”

Nisha Devi, farmer, Cashpor client, India



THE IMPACT: ARE WE TRANSFORMING CLIENTS' LIVES?

MAKING A LASTING SOCIAL IMPACT

Opportunity's mission is to empower people living in poverty to transform their lives, their children's futures and their communities. To truly ascertain that our mission is being accomplished, we need a common definition of transformation and a common framework to measure it that recognises that poverty is complex and that transformation takes time and requires changes in many aspects of a client's life. The first circle of the diagram shows the outcomes we aim to see in our clients.

We also recognise that transformation can result from a number of factors that include but are not limited to the services provided by our partners. External factors and individual character – entrepreneurship, leadership and resilience – have a strong influence on the change that we measure in clients' lives.

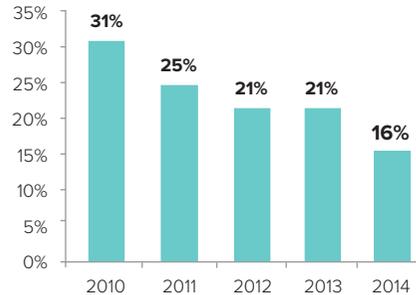
Opportunity is working with each of our partners to embed processes and systems into their daily operations, to enable us to track the change in clients' lives over time in these specific areas.

In this section and throughout this Social Performance Report, we showcase examples of the types of data we are collecting globally. Meaningfully measuring change over time is the hardest part of Social Performance Management and this is the first year that we are collecting this type of data consistently across our global partners to set a baseline for tracking change over time in coming years.

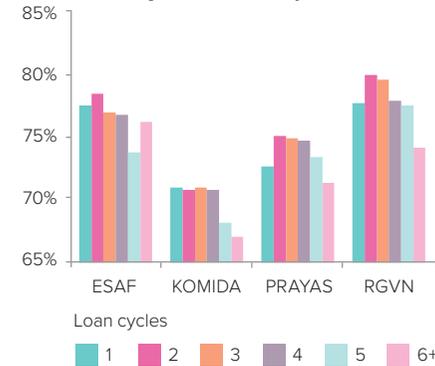
INCREASED INCOME

Our partners use PPI data to understand clients' progress out of poverty. Microfinance partners with established data over a number of years, such as ASKI in the Philippines, are able to map PPI data over time to gain an accurate understanding of their impact on their clients' lives. ASKI uses a sample of its clients and the same clients are surveyed each year to collect follow-up data. Where this is not yet possible, microfinance institutions can compare clients from different loan cycles to start to understand transformation over time.

Clients in the Philippines show reduced likelihood of poverty over time



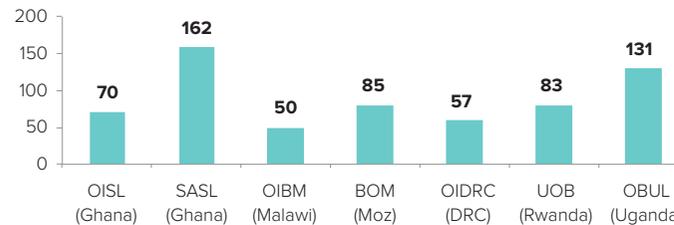
Longer-term clients are less likely to be living below \$2.50/day



JOB CREATION

To understand impact better, some of Opportunity's partners collect data on the number of jobs that clients' businesses create over time. Job creation is not just a sign of success for the client: jobs created mean wider improved livelihoods for other people in the community, an important indicator of growth and transformation.

Jobs created in Africa



The chart shows pilot survey data from a selection of Opportunity's partners, suggesting that for every 100 clients served, jobs are created for another 40 to 160 individuals. For example, Opportunity Bank Serbia has found that every 100 clients across their portfolio generate a further 87 jobs, or 20,000 additional jobs across their portfolio of 23,000 clients.

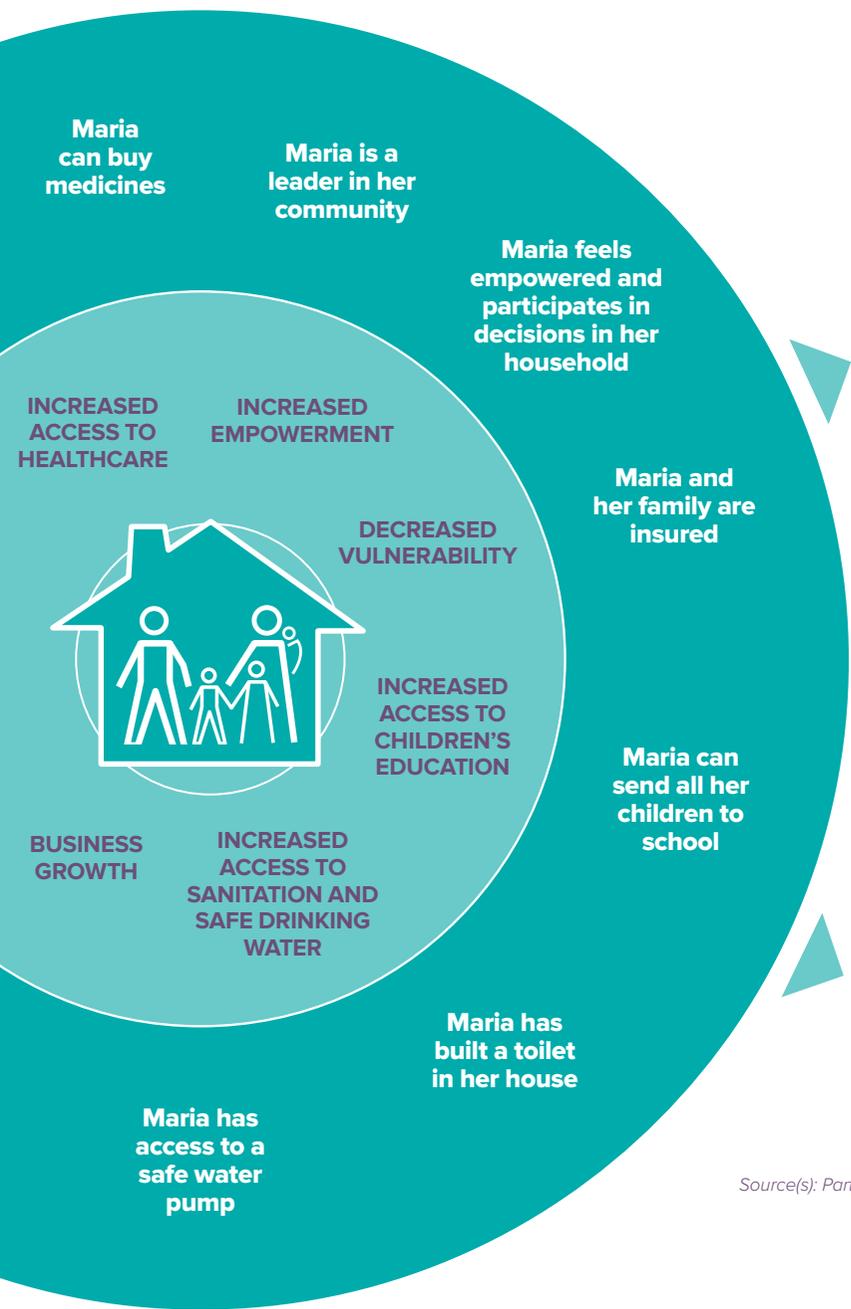
Maria delivered her third child at a hospital

Maria is earning an income

Maria has savings and can plan for the future

Maria has hired three people to grow her business

INCREASED INCOME



Source(s): Partner data

INCREASED EMPOWERMENT

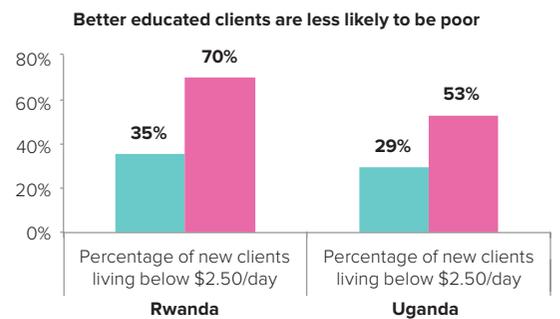
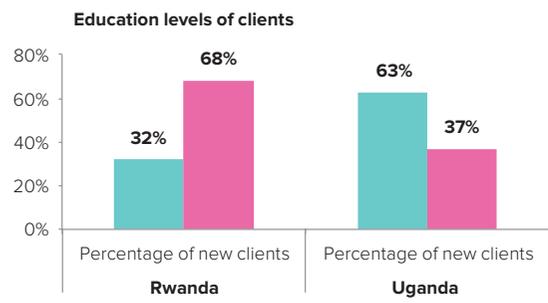
There are many ways our partners measure the vulnerabilities affecting clients' and their family members' lives – this includes their ability to provide food and medicines to their families, access to medical facilities and sense of security. Opportunity's aim is for microfinance to decrease these vulnerabilities and improve the clients' sense of empowerment, based on their ability to participate in household decision-making and holding community leadership positions.

For example, data collected from Opportunity partner in northern India, Samhita, shows that 16% of clients do not know any of the legal sanctions for violence against women and girls. In Democratic Republic of the Congo, 77% of female clients participated in key household decisions, compared to 93% of male clients. At this stage, the data represents just one point in time. But in future, we will collect further data on these indicators to demonstrate how vulnerability decreases as clients' empowerment increases over time.

INCREASED ACCESS TO EDUCATION

Lack of access to education is a significant factor in persistent poverty. Results from Opportunity's partners indicate that poverty levels are higher in households where the woman is less educated. For example, in Rwanda, 68% of new clients only completed primary school or less. Of these, 70% live below \$2.50/day. By comparison, among clients who continued beyond primary school, 35% live below \$2.50/day. Our data for Uganda also shows much higher poverty levels for those with limited education.

To improve the lives of our clients and their families, there is a need for better access to education. Access to microfinance can contribute to improved access for education – for example, in Rwanda, 92% of clients' children are attending school. In Uganda, 80% of clients' children attend. At the same time, while many children have access to school, the quality of that education can vary hugely dependent on class sizes, teacher attendance and teacher literacy rates. Opportunity's EduFinance program seeks to address and answer these issues, detailed further on page 20.



■ Completed above primary school
■ Completed only primary school or less

■ Completed above primary school
■ Completed only primary school or less



TRANSFORMING THROUGH HOLISTIC SERVICES

Since poverty is complex and multi-faceted, transforming lives requires a holistic approach. The impact of microfinance can be enhanced by complementary community and financial services.



THE NEED

HEALTH EDUCATION

Poor people often have limited knowledge of basic health practices and limited access to basic healthcare. Preventable illnesses keep them trapped in poverty.

- Female client training as health leaders in India and Indonesia
- Health leaders educate communities on health, hygiene, nutrition and healthcare services available

1,908 women trained
290,920 families reached with health education
33,870 families accessing hospitals
Result: Long-term health improvements through increased information and access to affordable and improved health practices.

EDUCATION FINANCE

For many people living in poverty, education is unaffordable and/or options are low quality or inaccessible.

- School fee loans
- School improvement loans to proprietors
- Edusave: savings and insurance products for education
- Scholarships offered

80,923 school fee loans disbursed
22.5% increase in student enrolment
6,888 new teacher positions created
Result: Higher-quality education accessible to more people living in poverty.

AGRICULTURE LOANS

Smallholder farmers often lack access to skills training and larger markets. They often can't afford inputs like fertiliser with their seasonal incomes. This means they often operate at 40% of potential capacity.

- Agriculture loans to farmer groups
- Bulk-lending to producer organisations
- Facilitation of buying and selling
- Technical training and support

241,000 farmers with agriculture loans in Africa to date
778,000 agriculture loans in Eastern Europe, Asia and Latin America
Result: Improved productivity, increased income and better access to food for poor families.

WATER AND SANITATION

Families with limited access to clean water and toilets have higher rates of illness, such as preventable diseases like diarrhoea. Defecating in the open is also a safety issue for women and girls.

Specialised loans and community support for toilets, wells, rural aqueducts, farm irrigation and water purification products.

Over **7,000** water supply systems provided
10,130 toilets built
125 wells rehabilitated in Indonesia
Result: Serious illness reduced through improved water quality and proper sanitation.



OUR RESPONSE



THE IMPACT

PROJECT SUPPORTERS



“At Opportunity, we have a strong belief that the clients we work with are also our partners. We put great value in listening to our clients’ needs and providing innovative, transformative services that meet those needs. I am proud of our Social Performance Management program and our commitment to innovate and expand our programs through a strong focus on collecting, using and reporting client data and feedback. I also believe this report is a vital part of our commitment to hold ourselves accountable to our supporters, whose ongoing support is critical to our programs and the 12 million clients we serve around the world.”

Vicki Escarra, Global CEO, Opportunity International, pictured (left) with Sara Nzatumande (right), farmer in Rwanda

We would like to acknowledge and thank our supporters for their continued commitment to Opportunity’s efforts to transform lives. Thanks to their support, we have been able to create a solid foundation for our work and expand the Social Performance Management program substantially over the last 12 months.

Macquarie Group Foundation awarded initial funding to Opportunity International’s Social Performance Management program in India in 2012. Further funding has recently been awarded allowing us to further expand the program in India, Indonesia and the Philippines.

“The Macquarie Group Foundation is funding Opportunity’s Social Performance Management program because we see great value in assessing the impact and outcomes of its work in the microfinance field. The regular collection and analysis of client data means robust information is available to improve programs and effectively direct resources, particularly helpful as the program expands in India and East Asia. We are proud that our continued support of this capacity-building tool can empower families in extreme poverty.”

Shemara Wikramanayake, Chair, Macquarie Group Foundation

Liesel Pritzker Simmons, Co-Founder and Principal of Blue Haven Initiative has supported the SPM program since mid 2014.

“I support the work of Opportunity in implementing better Social Performance Management and believe that it is critical that organisations have the data they need to understand and improve their outreach to the poorest in society.”

The UK Government’s Department for International Development (DfID) has supported capacity building projects since early 2013. This support has enabled a two-year capacity building project in Social Performance Management best practice implementation and data collection in seven African partners.

The Australian Government’s Overseas Aid program has supported Opportunity International’s Social Performance Management efforts since 2009, with recent funding going towards our work in the Philippines.



Australian Government
Department of Foreign Affairs and Trade



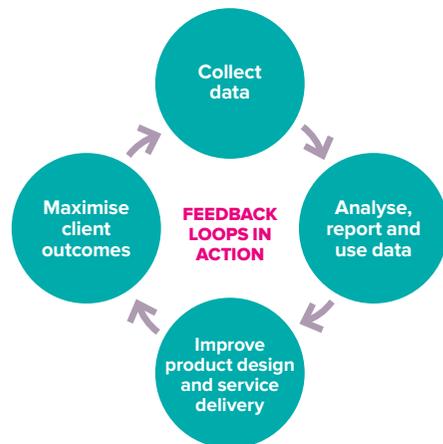
CONTINUOUS IMPROVEMENT NOW...

ONGOING TRANSFORMATION

As we have seen, Opportunity and its partners are committed to reaching people in poverty (page 9), providing solutions tailored to their needs (pages 16-17) and most importantly, transforming their lives (pages 19-20). We've also seen that poverty is complex and deep-rooted, that transformation takes time and that our clients need ongoing support as they lift themselves out of poverty.

Since needs change over time – both as clients move out of poverty and as their environment changes (for example, when typhoons or other natural disasters occur) – and needs change across communities and demographic groups, Opportunity must ensure that clients' voices are always heard and that our services are responsive and effective at helping them move out of poverty.

One-off studies of need or impact don't give the rich insight necessary to guide decisions around our interventions. Only ongoing assessments of performance against the three questions we



posed at the start of this document can allow for meaningful Social Performance Management and ensure that products and services are as effective as they can be in transforming clients' lives.

Monitoring client needs and measuring change is a long-term commitment. This means a systematic approach to collecting, verifying, storing, analysing, using and reporting client data. Each of these functions is a critical step in an 'end-to-end' process that our partners need to adopt if they are to be successful in understanding and improving the delivery of life-changing products and services.

For example Opportunity's partner in India, Samhita is working to embed this end-to-end process in their day-to-day business operations through an innovative mobile application. All 403 of Samhita's staff have been issued with low-cost tablets, and in June 2015, this entirely replaced paper capture of client survey data for their client-base of 87,207 clients.

Electronic data capture allows Samhita to more efficiently store and analyse client data and provide useful and regular management and Board reports. The reduction in time to collect, analyse and use data compared to previous paper systems has been profound – Samhita can now analyse the average income level of new clients (using the Progress out of Poverty Index) by branch on a weekly or daily basis. Management can respond to trends in outreach in real time and address performance issues at individual branches.

"Before, we used to wait for our turn for access to the branch computer to enter the data. Now, we can enter the data instantly on our own tablets, which saves me around two to three hours a day."

Lakhan Lal Porte, Loan Officer, Samhita

Successful management of social performance goes beyond just technology. Management and Boards need to be committed to understanding

ELECTRONIC DATA CAPTURE IN AFRICA

Opportunity's partners in Ghana, Uganda and Rwanda have adopted common tablet-based data collection software, replacing traditional paper and pen.

The technology has reduced transaction and survey time, reducing the cost of providing services and providing data to management with less delay, enabling better decision making. The technology is also improving quality and security of information through biometric data capture (fingerprints).

- At the pilot site in Ghana, 73 staff in 26 branches are using tablet technology.
- Data has been captured for 8,000 new savings and loans clients.
- Partners in Rwanda and Uganda will begin pilots in late 2015.

and responding to clients' needs – data on how products and services are meeting those needs and transforming lives can ensure those decisions are better informed and impact is enhanced.

Samhita's commitment at all organisational levels to reaching poor and rural clients in Madhya Pradesh is seen in key decisions the organisation has taken to expand into poorer communities and provide services in response to clients' needs.

...AND INTO THE FUTURE

Looking forward, Opportunity will continue to work with our partners to embed a systematic approach to using data that improves client outcomes. Key focus areas will be promoting a culture of using data to respond to client needs as described throughout this report, and the use of technology and tools for efficiently collecting and reporting data. This will enable partners to effectively innovate to meet changing and varying needs across the communities they serve.

While this requires long-term commitment of time and effort, harnessing the power of social data is ultimately the key to understanding the needs of clients and truly transforming their families' lives.

Over time, as we collect more social data, we will be able to provide even richer insights into our effectiveness and aggregated impact.

In the meantime, we thank our supporters and partners for helping 12 million families on their journeys out of poverty – you are truly making a difference.

SNAPSHOT: REPORTING

The SPI4 is a social performance assessment and reporting tool for microfinance institutions. It was created by CERISE, in collaboration with various industry stakeholders. SPI4 can be used to assess an institution's social performance practices.

MOBILE MONEY

Innovative delivery channels such as mobile money provide new opportunities to serve clients with transformational services that better meet their needs.

Mobile money is the provision of financial services – loans, savings, insurance and other services – through a mobile device. The explosion in the availability of mobile phones (there are 66 subscriptions per 100 people in Africa) and the development of applications and agent networks for provision of financial services has opened up the possibility of:

- 1 Expanding outreach to areas that are too expensive to reach with traditional channels (the cost of providing services is 80% less).
- 2 Enabling clients to make transactions in small village shops in their communities saving time and effort that can be invested in their businesses.

Opportunity has integrated its social indicators into SPI4 and uses it as its core reporting tool – partners are required to complete and submit on a quarterly basis. The tool also includes an audit function that allows microfinance institutions to assess their practices against the Universal Standards of Social Performance Management.

- 3 Providing clients with a suite of information services, including education in financial literacy and wider issues such as health and domestic violence.
- 4 Collecting feedback from clients through SMS and automated voice-recognition technology.
- 5 Providing clients with increased safety and security as there is no need to carry cash from loan meetings.

Opportunity has started to provide mobile money services in Africa and is now reaching over 300,000 clients.



Charles Lubumba is a coffee farmer from the mountainous area near Mbale, in the eastern part of Uganda. Through Opportunity Bank Uganda (OBUL), Charles obtained an agriculture loan, opened a savings account and is registered for mobile banking. Charles is a founding member of the coffee cooperative Gutmindu.

With mobile banking, Charles and his fellow farmers are paid by the cooperative directly into their accounts, accessible by phone, when they deliver their coffee. The cooperative is happy not to handle large amounts of cash, which used to leave their staff and farmers vulnerable to being robbed on payment day. The farmers are happy because the money is in their account in a timely manner and they can check the balance by phone. As Charles says, "With phone banking, I can be paid while I'm asleep."

Having access to his account by phone helps Charles to manage his money, as he can make electronic payments directly to many of his counterparties such as the school district for his childrens' school fees, input providers and utility providers. He can even send money to his brother through the remittance system. On repayment days or when Charles needs cash, he does not need to make a trip into town to a bank branch, but can find a mobile money agent convenient to him, saving him time and money.



The Opportunity International Network is a global coalition of organisations dedicated to using microfinance to provide opportunities for people in poverty to transform their lives.

IMPLEMENTING PARTNERS

More than 40 implementing partners provide microfinance services to clients in 28 countries.

AFRICA

Burkina Faso*
Ghana
Kenya
Malawi
Mozambique
Niger*
Nigeria*
Rwanda
South Africa
Tanzania
The Democratic Republic of Congo
Uganda
Zambia*
Zimbabwe

ASIA

Bangladesh*
China
India
Indonesia
Pakistan*
Philippines

EASTERN EUROPE

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United States

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opportunity.org/about-us/people/global-leadership

SOCIAL PERFORMANCE MANAGEMENT WEBSITE

spm.opportunity.org



Pictured: Farmer, ASKI client, Philippines.