



SOCIAL PERFORMANCE AUDIT
Diaconia-FRIF, Bolivia

Prepared by:
PROFIN Foundation

By request of:
DIACONIA-FRIF Foundation)
(Diaconia Investment and Promotion Rotating Fund)

Cut-off date: October 2008,
with comparisons at December 2004

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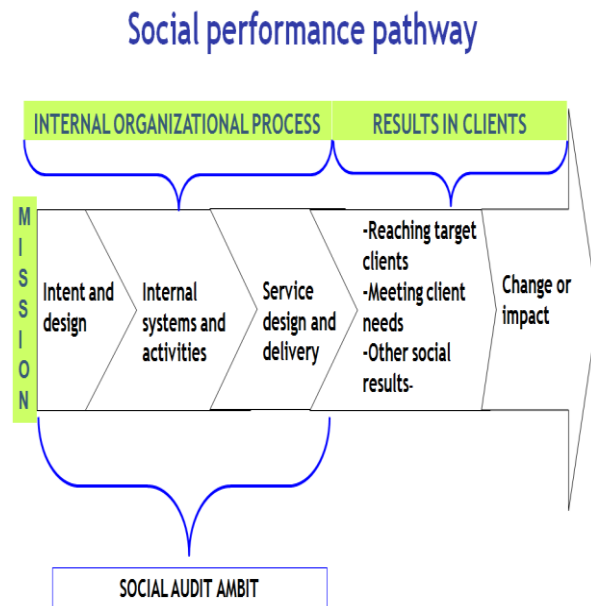
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1. INTRODUCTION

The present report contains the results of the DIACONIA-FRIF (D-FRIF) social audit realized by PROFIN Foundation, under the role of external and independent evaluator. The audit is subject to the conceptual framework of social performance established by the Social Performance Task Force¹ that defines social performance as the process of taking the social mission to practice in line with the following institutional values:

- Reaching a growing number of poor and excluded persons, in a sustainable manner
- Improving the quality and the adaptation of services to the needs of clients
- Improvement of the socio-economic conditions of clients
- Socially responsible behaviour towards clients, human resources, the communities served, and the environment

In this context, the social audit examines elements of the internal organizational process that the institution follows for fulfilling its mission and social objectives.



The type of audit applied, values the degree of having reached expected parameters (benchmarks). As such, the audit is based on 61 indicators that examine the following dimensions and sub-dimensions of social performance:

PROFIN Social Audit: Structure of the Tool	
Dimensions	Sub-dimensions
Outreach to the poor and excluded	Geographical outreach
	Individual outreach
	Pro poor methodology
Adequate services	Variety of services
	Quality of services
	Additional services
Benefits for clients	Confidence and exchange of information
	Participation of clients and reinvestment of profits
	Empowerment of clients
Social responsibility	Social responsibility towards human resources
	Social responsibility towards clients
	Social responsibility towards the communities

The audit tool applied by PROFIN is based on the SPI tool of the CERISE Network², but incorporates adjustments of its own authorship. These adjustments include: the application of the tool from the perspective of an external evaluation, differentiation between institutionalized and non-institutionalized aspects, the specification of very wide indicators, and the incorporation of profit reinvestment indicators in benefit of clients.

The primary information of the audit was obtained based on workshops facilitated by PROFIN Foundation, which convened the presence of representatives of the D-FRIF Board of Directors and personnel. The workshops had two fundamental objectives: bringing up-to-date the conceptual framework and regarding international progress in social performance, and answering and reflecting in a participative manner on the topics of the questionnaire employed for obtaining social

¹ See Social Performance Resource Centre) at : www.microfinancegateway.com

² For more information visit: www.cerise-microfinance.org

performance information. The questionnaire is attached in the annex of the report.

In what follows we present the results of the audit, firstly at the level of each of the indicators evaluated, in order to later add the results by sub-dimension and dimension. We conclude by presenting the global score of the audit, and the most notable aspects and the institutional challenges identified.

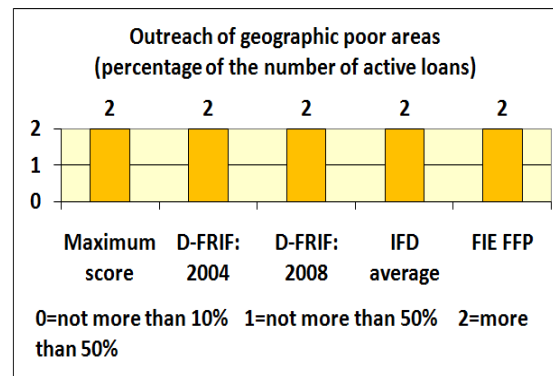
2. D-FRIF SCORES BY INDICATORS

Next we present the scores that the social audit gives to the indicators employed for valuing D-FRIF social performance at the end of 2008, and the changes that took place with regards to 2004. Additionally, based on the results of other social audits realized by PROFIN, we present comparisons of the D-FRIF scores with those of FIE private financial fund (FIE FFP) as an entity that is representational of regulated MFIs, and with the average scores of seven non-regulated microfinance institutions (MFIs): ANED, FADES, CRECER, CIDRE, IDEPRO, PRO MUJER, and FONDECO (named IFDs or Financial Institutions for Development).

2.1 OUTREACH OF POOR AND EXCLUDED AREAS INDICATORS

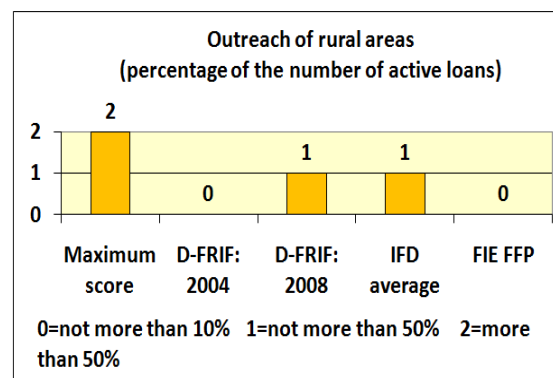
Outreach of geographical poor areas: In the year 2008, D-FRIF has outreach in poor areas above 50% of active loans, a level similar to that of 2004. Outreach is determined employing the data of the Mapa de Pobreza (Poverty Map) of the INE (National Statistics Institute), considering poor areas as those municipalities with degrees of poverty of 2, 3, 4, and 5 (that is, with over 60% poor homes)³. D-FRIF does not possess own criteria for determining outreach in geographically poor areas. According to the criteria of the audit,

the institution has a maximum score for the indicator, and equals the average score of the IFDs and FIE private financial fund.



Source: PROFIN Foundation

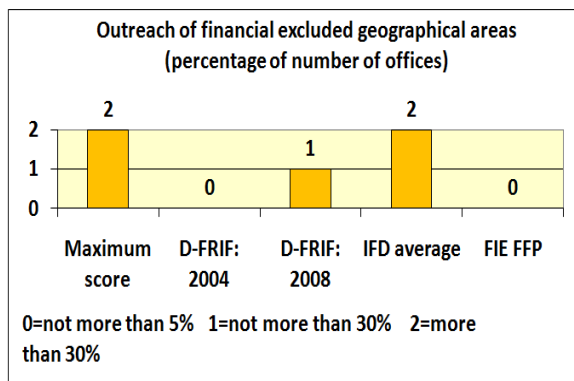
Outreach of rural areas: In 2008, D-FRIF has rural outreach below 50% of active loans; above that of 2004, when it was below 10%. According to the parameters of the audit, the institution shows progress in these indicators, from a score of zero to an intermediate score, equal to the average score of the IFDs and above that of FIE private financial fund.



Source: PROFIN Foundation

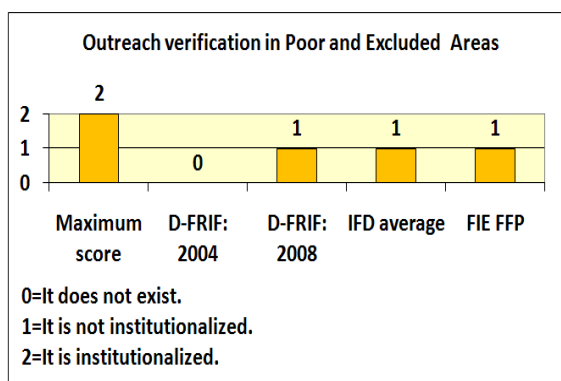
Outreach of financial excluded geographical areas: In 2008, D-FRIF has outreach in neglected areas of less than 30% of the offices, which is greater than in 2004, when it was below 10%. Based on the parameters of the audit, the institution shows progress in these indicators, from a score of zero to an intermediate score, equal to the average score of the IFDs and above that of FIE private financial fund.

³ In the annex Questionnaire for Data Collection, the numbers that establish the amount of D-FRIF borrowers in poor areas are presented.



Source: PROFIN Foundation

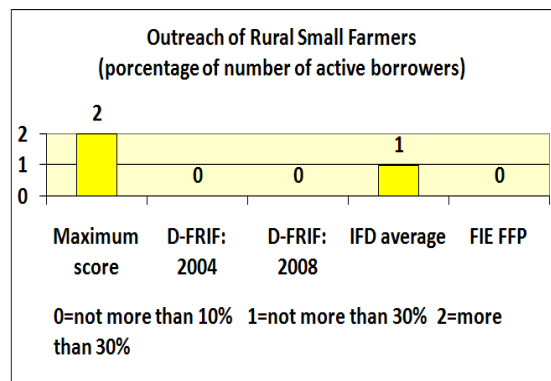
Outreach verification: In 2008, D-FRIF does not have formal means for verifying the effective level of outreach in poor and/or neglected areas; nevertheless, occasional verifications are realized through initiatives on the part of the Board of Directors; there has been progress on this topic with regards to 2004, when no means of verification was mentioned. According to the criteria of the audit, the institution has an intermediate score for the indicator, equal to the average score of the IFDs and FIE FFP.



Source: PROFIN Foundation

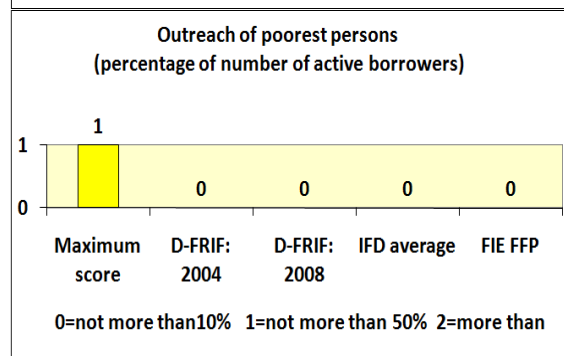
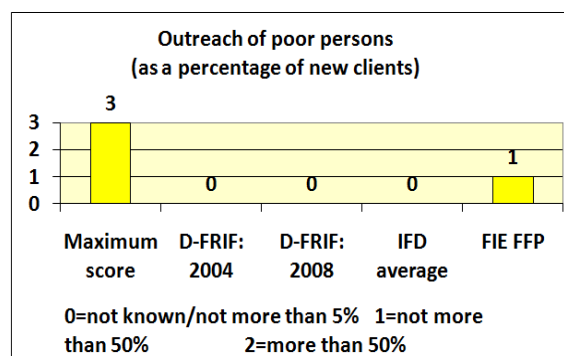
2.2 OUTREACH OF POOR AND EXCLUDED PERSONS INDICATORS

Outreach of rural small farmers: In 2008, D-FRIF has outreach of loans to small producers below 10% of the number of active borrowers, a level similar to that of 2004. According to the parameters of the audit, the institution has a score of zero for the indicator, equal to the score of FIE FFP and below the average score of the IFDs.



Source: PROFIN Foundation

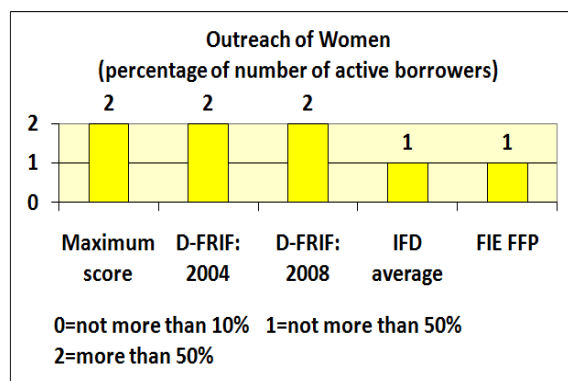
Outreach of poor and poorest persons: In 2008, D-FRIF does not have tools that allow it to determine the level of individual poverty of its clients; the situation has been thus since 2004. According to the criteria of the audit, **the institution has a score of zero for the indicators of the level of poverty of its clients due to lack of information for being able to determine them**, and equals the average score of the IFDs and FIE FFP.



Source: PROFIN Foundation

Outreach of women: In 2008, D-FRIF has outreach of women above 50% of the number of active main borrowers, a level that is similar to that of 2004. According to the parameters of the audit, the institution has a maximum

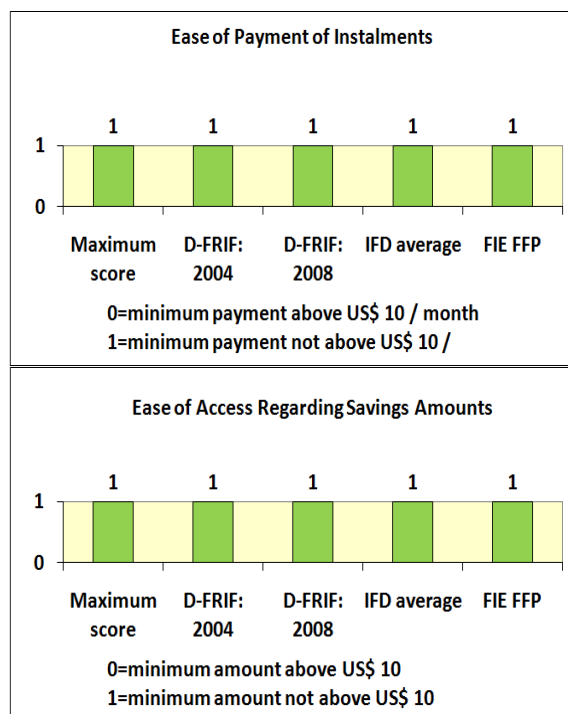
score for the indicator, above the average score of the IFDs and FIE FFP.



Source: PROFIN Foundation

2.3 PRO POOR METHODOLOGY INDICATORS

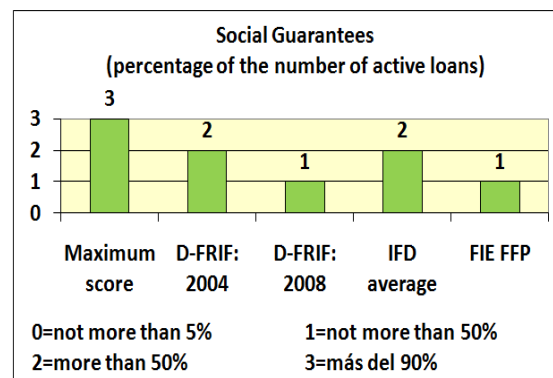
Minimum amount of loan instalments and savings: In 2008, D-FRIF reports that the minimum monthly instalment of loans and the minimum amount for beginning savings with the village bank is not above US\$ 10 in both cases, a situation similar to that of 2004. According to the criteria of the audit, the institution has a maximum score in both indicators, and equals the average score of the IFDs and FIE private financial fund.



Source: PROFIN Foundation

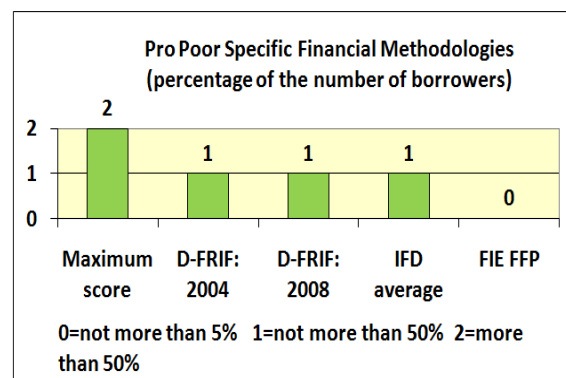
Social guarantees (solidarity, personal, pawn, and physical of very low commercial value):

In 2008, D-FRIF has a portfolio supported by social guarantees below 50% of the number of active loans, less than in 2004 when it was above 50%. According to the criteria of the audit, the institution shows a lowering of the indicator, going from an intermediate score to a score nearing zero, equal to that of FIE FFP and below the average score of the IFDs.



Source: PROFIN Foundation

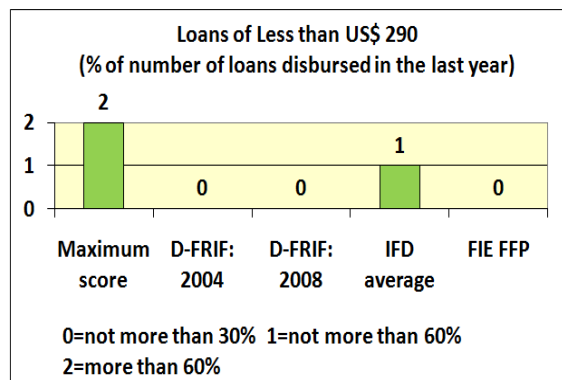
Pro poor specific financial methodologies: At D-FRIF, the financial methodology specifically designed for promoting access to financial services for poor women is **Crédito para Asociaciones de Microcrédito (Loans for Microcredit Associations)**, based on village banking. In 2008, less than 50% of the active borrowers accessed this type of loan, a level similar to that of 2004. According to the parameters of the audit, the institution has an intermediate score for the indicator, equal to the average score of the IFDs and above that of FIE private financial fund.



Source: PROFIN Foundation

Loans of lower amounts: In 2008, D-FRIF reports that loans below US\$ 290 are less than

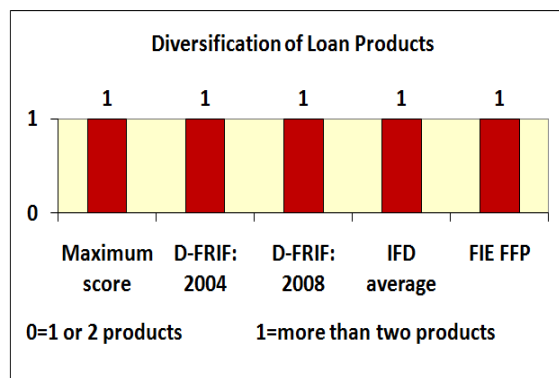
30% of the annual disbursements, a level similar to that of 2004. According to the criteria of the audit, the institution has a score of zero for the indicator, equal to that of FIE FFP and below the average score of the IFDs.



Source: PROFIN Foundation

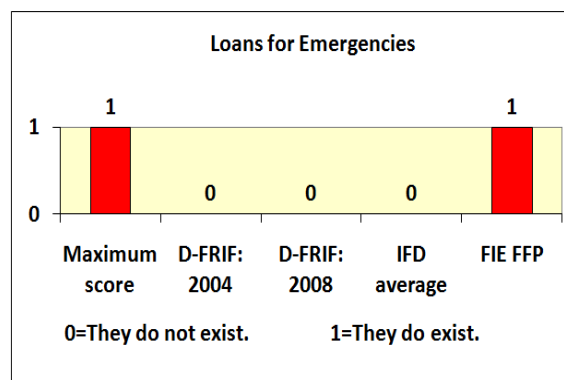
2.4 VARIETY OF SERVICES INDICATORS

Diversification in types of loans: In 2008, D-FRIF reported that it offered more than two different types of loan products, as was the case in 2004. According to the parameters of the audit, the institution has a maximum score for the indicator, equalling the average score of the IFDs and FIE private financial fund.



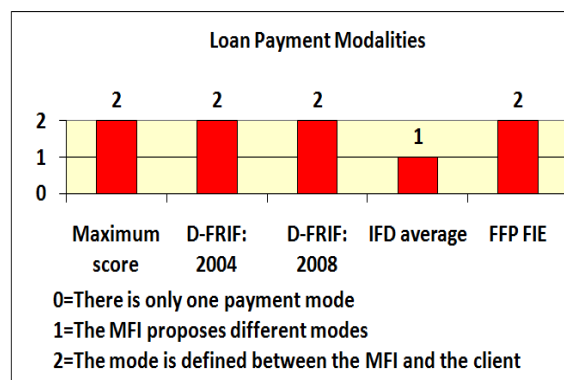
Source: PROFIN Foundation

Loans for emergencies (unrestricted use, immediate disbursement, and terms of no more than 3 months): In 2008, D-FRIF reports the lack of an offer of loans specifically aimed at financing emergency expenses, as was the case in 2004. According to the criteria of the audit, the institution has a score of zero for the indicator, equal to the average score of the IFDs and below that of FIE FFP.



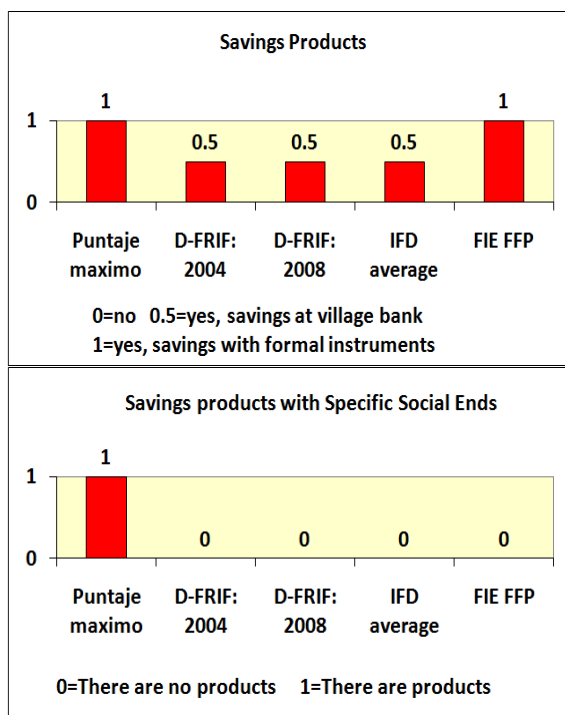
Source: PROFIN Foundation

Loan payment modalities: In 2008, D-FRIF reports that for most active loans, the mode of payment was determined jointly between the institution and the borrowers, as was the case in 2004. According to the criteria of the audit, the institution has a maximum score for the indicator, equalling the score of FIE FFP and above the average score of the IFDs.



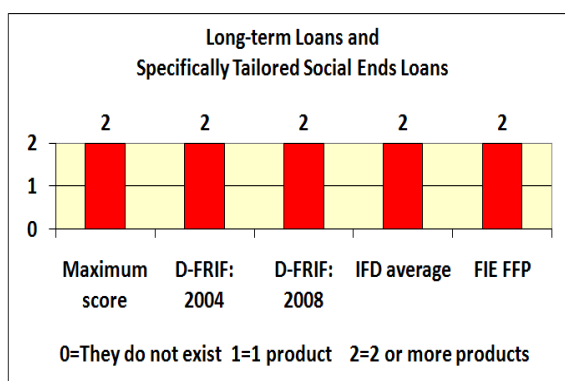
Source: PROFIN Foundation

Savings products: For the scoring of the savings indicators, the audit considers, for the case of non-regulated MFIs, the indirect provision of savings products through the village banking methodology and alliances with regulated financial institutions. As such, in 2008, D-FRIF makes available savings products based on the village banking methodology, as was the case in 2004. These products are not aimed at any specific objective. D-FRIF has an intermediate score for the indicator of availability of savings products, less than FIE FFP and equal to the average score of the IFDs. Regarding making available savings with a specific social end (education, health, retirement, etc.), D-FRIF has a score of zero, equal to the average score of the IFDs and FIE private financial fund.



Source: PROFIN Foundation

Long-term loans and specifically tailored social ends loans (housing, health, education, etc.): In 2008, D-FRIF reports that it offers more than two types of loan products with payment terms of over 1 year, and two loan products that have specific social objectives: loans for housing and loans for social works, as was the case in 2004. According to the parameters established by the audit, the institution has a maximum score for the indicator, equal to that of FIE private financial fund, and to the average score of the IFDs.

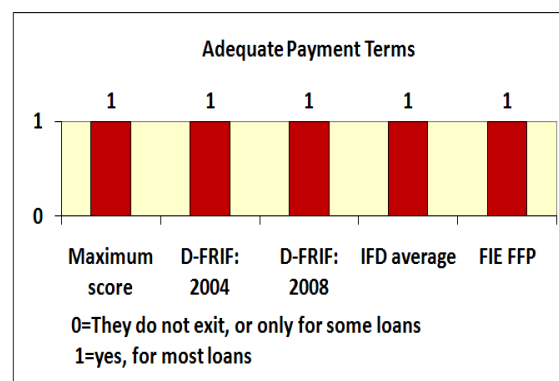


Source: PROFIN Foundation

2.5 QUALITY OF SERVICES INDICATORS

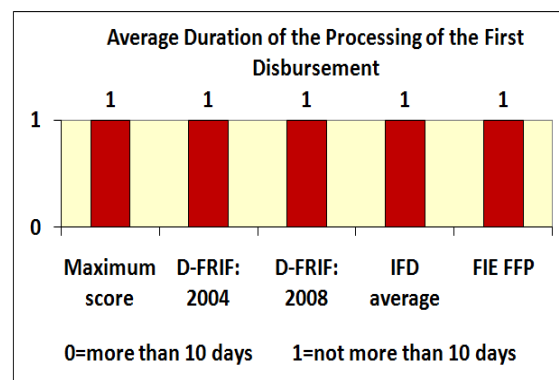
Adequate payment terms: In 2008, D-FRIF reports that the terms are determined seeking

to adapt to the economic activity or payment capacity of the borrower, as were the case in 2004. According to the parameters of the audit, the institution has a maximum score for the indicator, equalling the average score of the IFDs and FIE private financial fund.



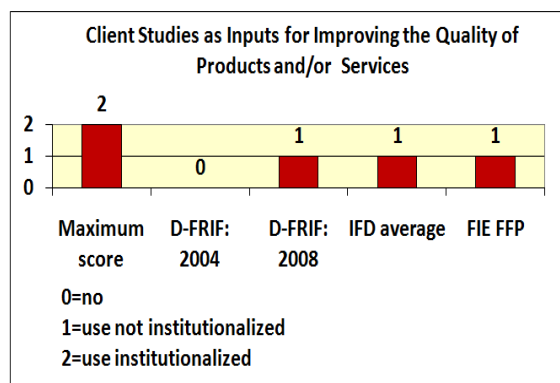
Source: PROFIN Foundation

Disbursement speed: In 2008, D-FRIF reports that the average time for processing a first disbursement is less than 10 days, as was the case in 2004. According to the parameters of the audit, the institution has a maximum score for the indicator, equal to the average score of the IFDs and FIE private financial fund.



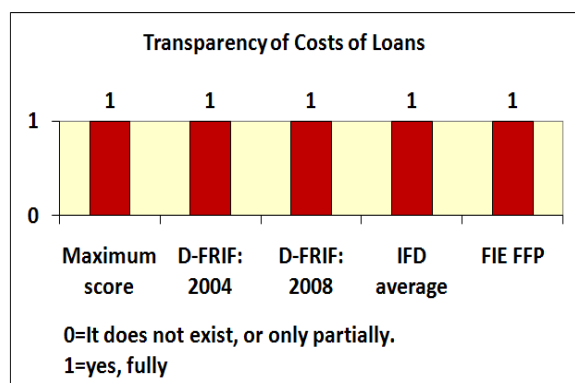
Source: PROFIN Foundation

Client studies: In 2008, D-FRIF reports that the use of client studies has not been institutionalized as an input for improving products and/or services. Nevertheless, this process is beginning through the delegation to external evaluators of a study that will serve as a basis for this end. As such, according to the criteria established by the audit, D-FRIF shows progress regarding the indicator, going from a score of zero to an intermediate score, equal to the average score of the IFDs and FIE FFP.



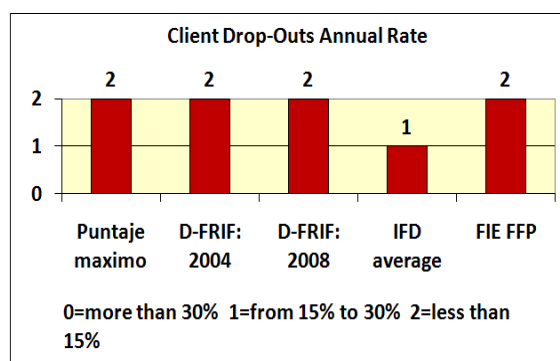
Source: PROFIN Foundation

Transparency of loan costs: In 2008, D-FRIF reports full transparency in informing loan costs to its borrower clients through written statements of the of the payment plans, as was the case in 2004. According to the criteria established by the audit, D-FRIF has a maximum score for the indicator, and equals the average scores of the IFDs and FIE FFP.



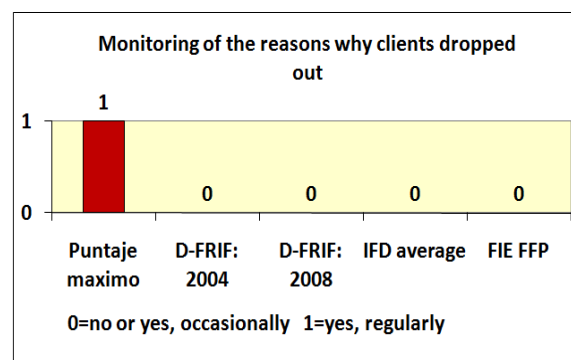
Source: PROFIN Foundation

Client drop-outs rate: In 2008, D-FRIF reports a client drop-out annual rate of less than 15%, a rate similar to that of 2004. According to the audit, D-FRIF has a maximum score for the indicator, equal to the score of FIE FFP and above the average score reached by the IFDs.



Source: PROFIN Foundation

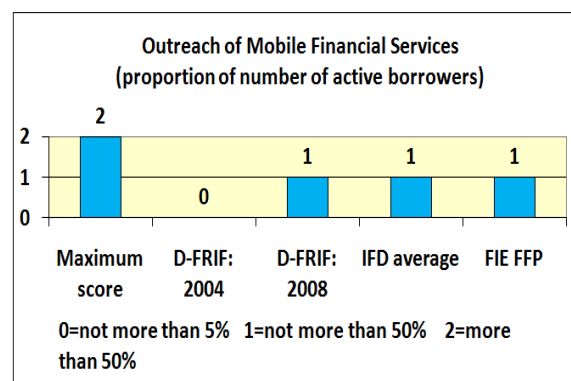
Monitoring of the reasons why clients dropped out: In 2008, D-FRIF reports not having realized monitoring of the causes for client withdrawal, as was the case in 2004. According to the parameters of the audit, D-FRIF has a score of zero for the indicator and equals the average score of the IFDs and FIE private financial fund.



Source: PROFIN Foundation

2.6 ADDITIONAL SERVICES INDICATORS

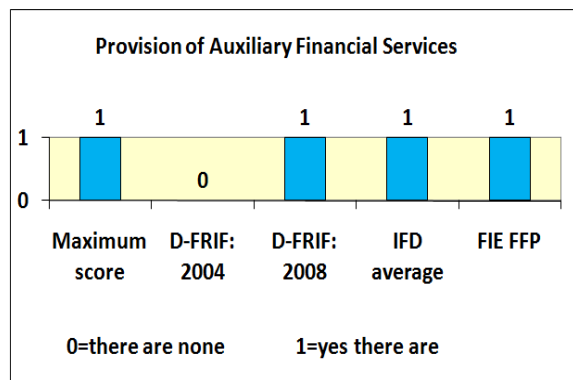
Mobile financial services: D-FRIF offers these services through mobile cashiers for borrowers of individual loans and for the Microcredit Associations that do not hold meetings at the offices of the institution. In 2004, less than 5% of borrowers accessed these services; the situation changed in 2008 with outreach of less than 50%. According to the parameters of the audit, D-FRIF shows a progress regarding the indicator, going from a score of zero to an intermediate score equalling the average score of the IFDs and FIE private financial fund.



Source: PROFIN Foundation

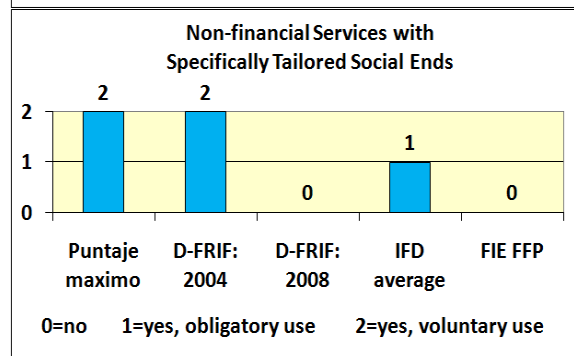
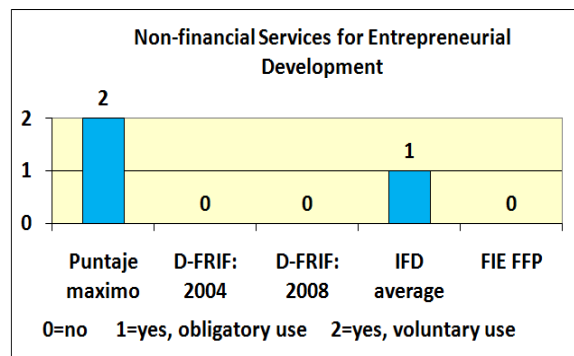
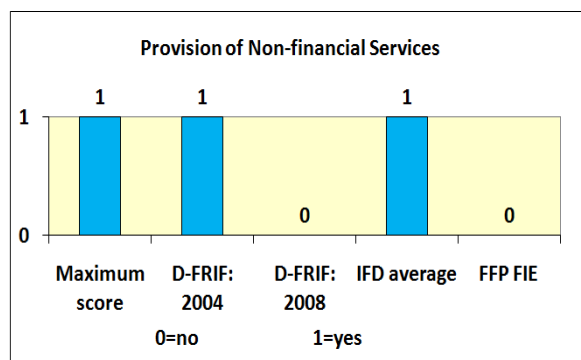
Auxiliary financial services: D-FRIF went from not offering auxiliary financial services in 2004

to directly offering in 2008 national and international transfers. According to the parameters of the audit, D-FRIF shows a progress in the indicator, going from a score of zero to a maximum score, equalling the average score of the IFDs and FIE FFP.



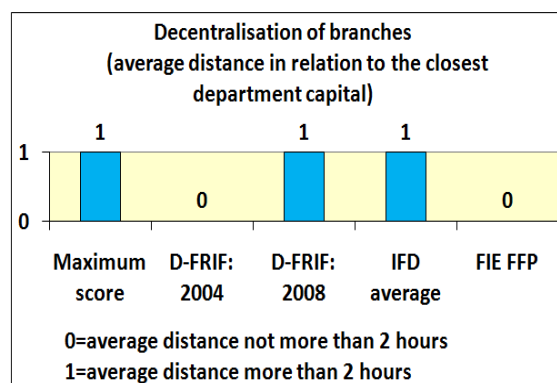
Source: PROFIN Foundation

Provision of non-financial services: For the scores of the non-financial services indicators, the audit considers both direct and indirect provision of these services through alliances with other institutions. In this regard, D-FRIF reported in 2004 the direct provision of a voluntary Papanicolaou test for its women clients, which was discontinued in 2008. According to the criteria of the audit, the institution shows a decline in the indicators of provision of non-financial services and the provision of non-financial services with specific social objectives, going from a maximum score to a score of zero. Regarding the provision of non-financial services for entrepreneurial development, D-FRIF has a score of zero. Compared with other MFIs, D-FRIF equals the score of FIE FFP and is below the average score of the IFDs.



Source: PROFIN Foundation

Decentralisation of branches: In 2004, D-FRIF had an average distance between the offices and the closest department capital of no more than two hours; this changed in 2008 with greater geographical expansion of the institution, raising the average to over two hours. According to the parameters of the audit, the institution shows progress in this indicator, from a score of zero to a maximum score, equalling the average score of the IFDs and surpassing the score of FIE FFP.

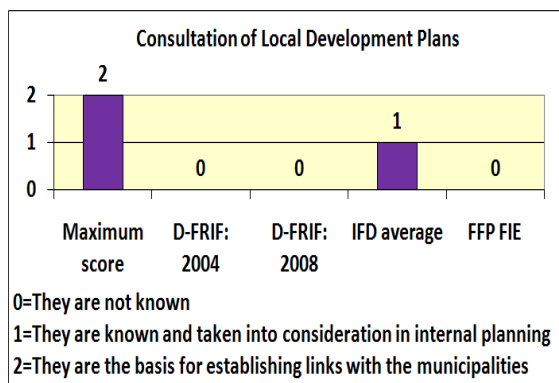


Source: PROFIN Foundation

2.7 CONFIDENCE AND EXCHANGE OF INFORMATION INDICATORS

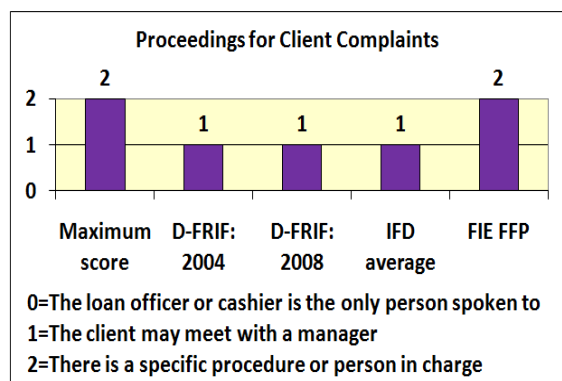
Consulting the Municipal Development Plans (PDMs): D-FRIF reports in 2008 that it does

not consider the PDMs of the municipalities served as inputs for institutional planning and/or for the establishment of cooperation links with the municipal governments, as was the case in 2004. According to the criteria of the audit, the institution has a score of zero for the indicator, equal to that of FIE FFP and below the average score of the IFDs.



Source: PROFIN Foundation

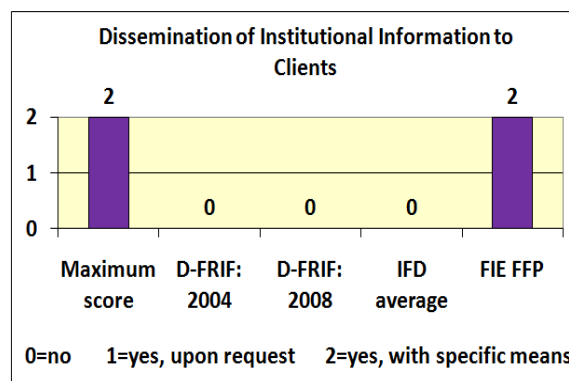
Proceedings for client complaints: In 2008, D-FRIF reports that clients that wish to present complaints may meet with the office manager, and that there is no formal procedure or person in charge of attending to complaints, as was the case in 2004. According to the criteria of the audit, the institution has an intermediate score for the indicator, equal to the average score of the IFDs and below the score of FIE private financial fund.



Source: PROFIN Foundation

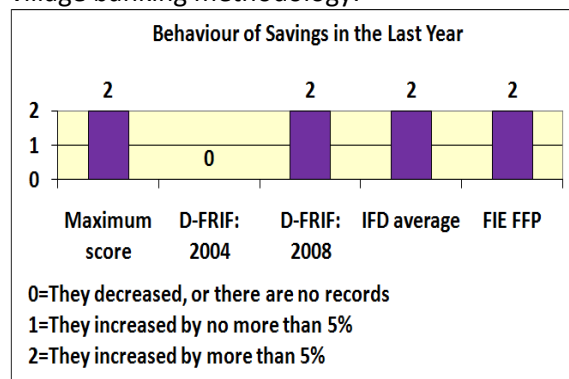
Dissemination of information to clients: In 2008, D-FRIF reports that the practice of disseminating information on the institution's performance to clients is not present, as was the case in 2004. According to the parameters of the audit, the institution has a score of zero

for this indicator, equalling the average score of the IFDs and below the score of FIE FFP.



Source: PROFIN Foundation

Savings behaviour: In 2004, D-FRIF had an annual growth rate of savings of village banking of over 5%, a trend that has remained as such up to 2008. According to the parameters of the audit, the institution shows progress in the indicator, going from a score of zero to a maximum score, equalling the score of FIE FFP and the average score of the IFDs that have records of savings based on the village banking methodology.

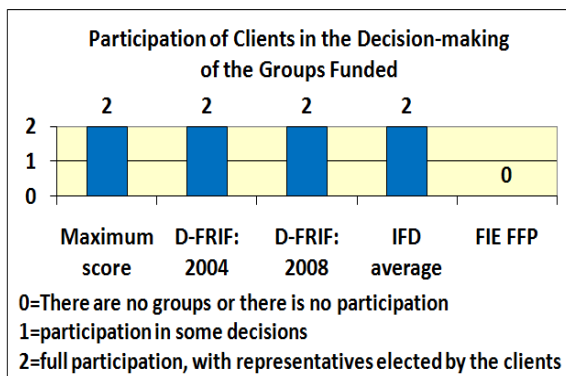


Source: PROFIN Foundation

2.8 CLIENT PARTICIPATION AND REINVESTMENT OF PROFITS INDICATORS

Participation of clients at the level of groups funded: In 2008, D-FRIF reports that at the level of the Microcredit Associations funded, the participation of clients in decision-making is complete and is realized through representatives elected by the clients themselves, as was the case in 2004. According to the parameters of the audit, the institution has a maximum score for the indicator equalling the average score of the

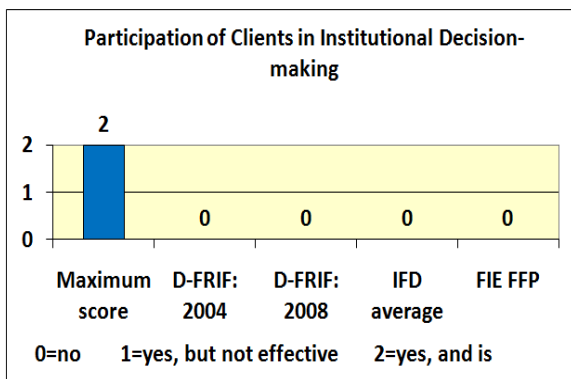
IFDs. The indicator is not comparable with FIE private financial fund, since this institution does not provide group funding.



Source: PROFIN Foundation

Participation of clients at the institution level

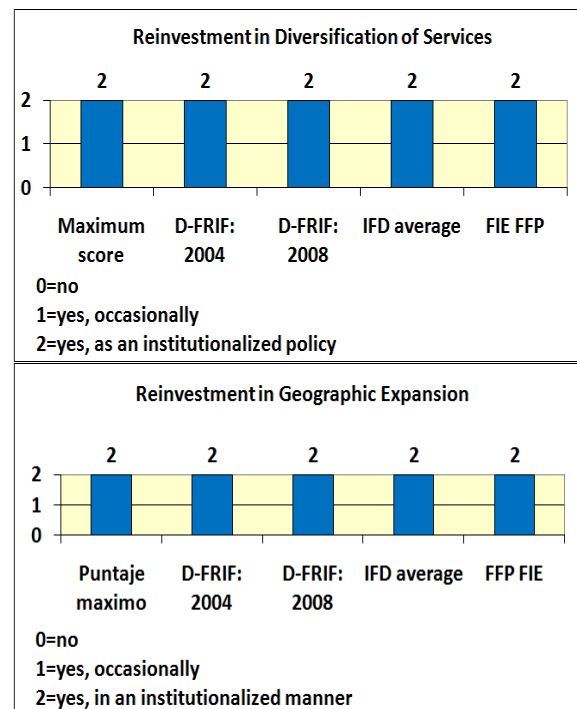
In 2008, D-FRIF reports that its statutes do not contemplate the participation of clients within the governance structure of the institution, nor have consultation committees been established to allow participation that is at least indirect on the part of the clients. This behaviour is similar to that of 2004. According to the parameters of the audit, the institution has a score of zero for the indicator and equals the average score of the IFDs and FIE private financial fund.



Source: PROFIN Foundation

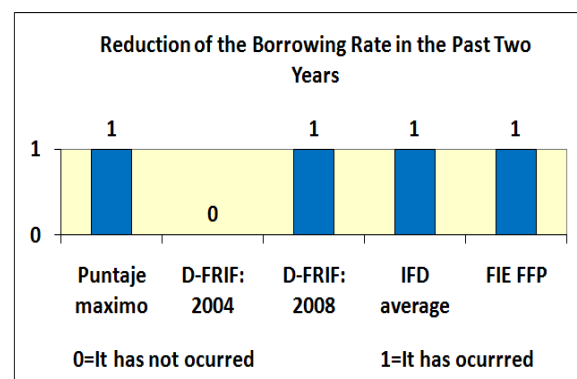
Reinvestment in the diversification of services and in the expansion of offices: In 2008, D-FRIF reports that its income and/or profits are invested in the diversification of services and in the expansion of branches as an institutionalized policy, as was the case in 2004. According to the parameters of the audit, the institution has a maximum score for the indicator of reinvestment of income in

benefit of clients, and a score similar to the average score of the IFDs and FIE FFP.



Source: PROFIN Foundation

Reduction of the borrowing rate: D-FRIF reports that in 2008 the interest rates of the loans provided have been reduced in the past two periods, which was not the case in 2004. According to the parameters established by the audit, D-FRIF shows progress in the indicator, from a score of zero to a maximum score, equal to the average score of the IFDs and FIE private financial fund.

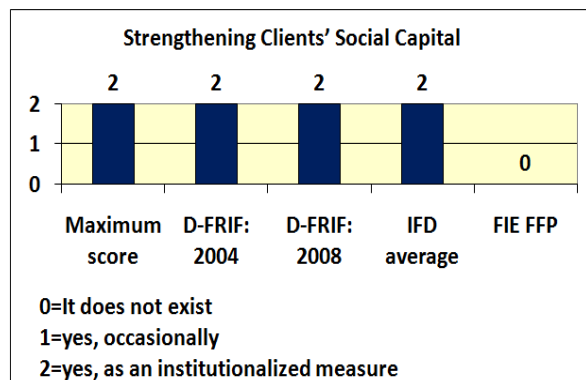


Source: PROFIN Foundation

2.9 CLIENT EMPOWERMENT INDICATORS

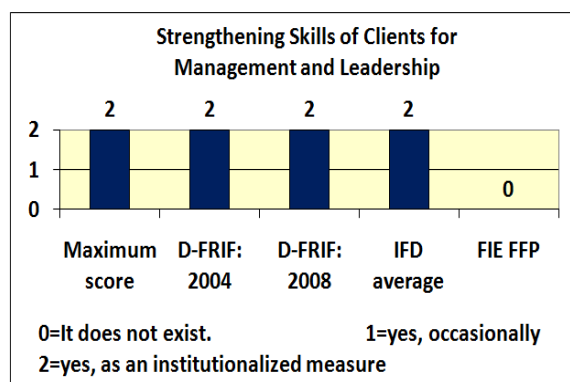
Strengthening clients' social capital: In 2008 D-FRIF affected the clients' social capital

through the promotion of “associativity” for access to financing, as was the case in 2004. According to the parameters of the audit, the institution has a maximum score for the indicator, equalling the average score of the IFDs and above the score of FIE FFP.



Source: PROFIN Foundation

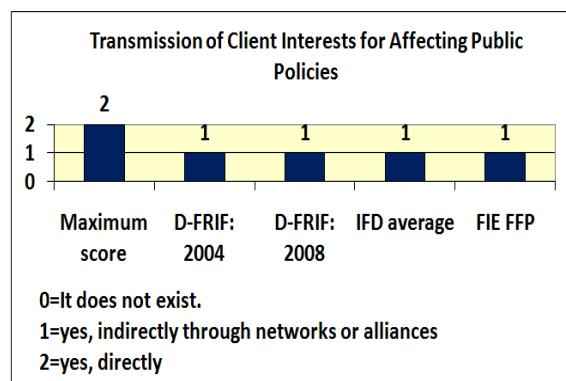
Strengthening skills of clients for management and leadership: D-FRIF reports that in 2008 it affects skills of clients, promoting the self-management of funded groups and providing support training, as was the case in 2004. According to the parameters of the audit, D-FRIF has a maximum score for the indicator, equalling the average score of the IFDs that fund groups and above the score of FIE private financial fund.



Source: PROFIN Foundation

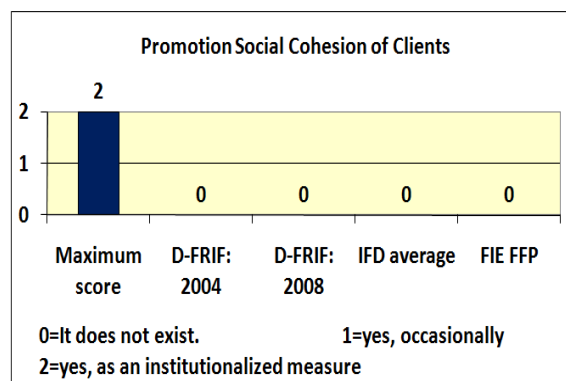
Transmission of client interests: D-FRIF reports that in 2008 there was indirect transmission of the interests of its clients, through participation in union networks that seek to have an effect on public policies, as was the case in 2004. The direct transmission of client interests is a topic not yet considered by the institution. According to the parameters of the audit, the institution has an

intermediate score in the indicator, equalling the average score of the IFDs and FIE FFP.



Source: PROFIN Foundation

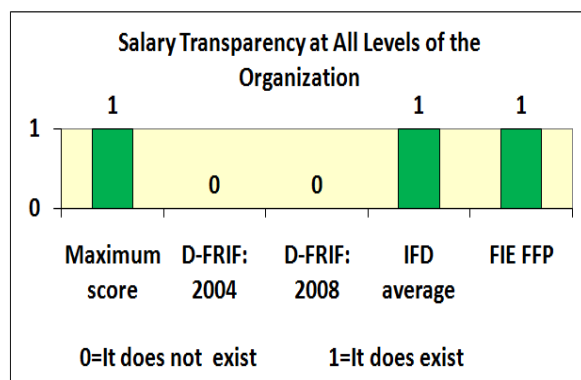
Promoting social cohesion of clients for activities that go beyond the financial sphere (organization of fairs, participation at contests or tenders, etc.): D-FRIF reports that in 2008 it does not promote activities of this type, as was the case in 2004. According to the criteria of the audit, D-FRIF has a score of zero for the indicator, as is the case of FIE FFP, and is below the average score of the IFDs.



Source: PROFIN Foundation

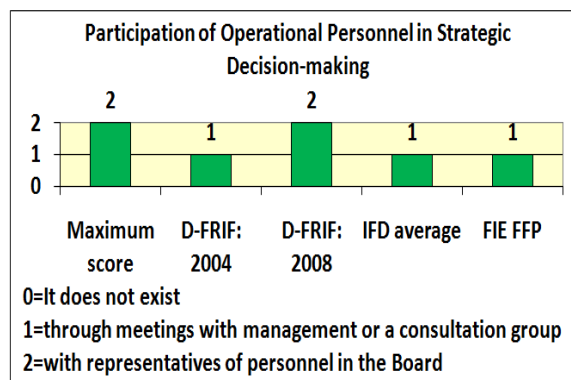
2.10 SOCIAL RESPONSIBILITY TOWARDS HUMAN RESOURCES INDICATORS

Salary transparency: According to the perception of D-FRIF personnel, in 2008 transparency is lacking in the wage scale at all levels of the organization, as was the case in 2004. According to the parameters of the audit, D-FRIF has a score of zero for the indicator, below the average score of the IFDs and FIE private financial fund.



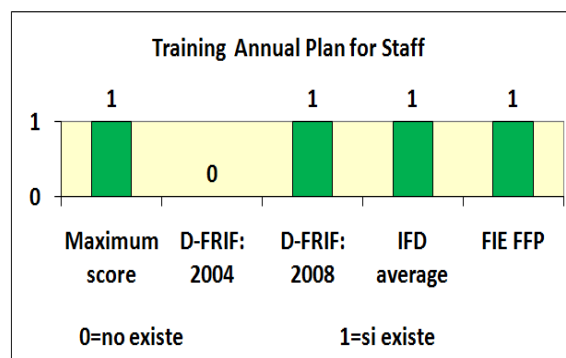
Source: PROFIN Foundation

Participation of staff in decision-making: D-FRIF reports that in 2004 the only form of participation of operating personnel in strategic decision-making was through presence at planning meetings with management, a situation that changes in 2008, through the decision that two representatives of the personnel, elected by the personnel itself, be part of the Board of Directors of the institution. According to the criteria of the audit, D-FRIF shows progress in the indicator, going from an intermediate score to a maximum score. In comparison with other MFIs, the score of D-FRIF surpasses the average score of the IFDs and FIE FFP.



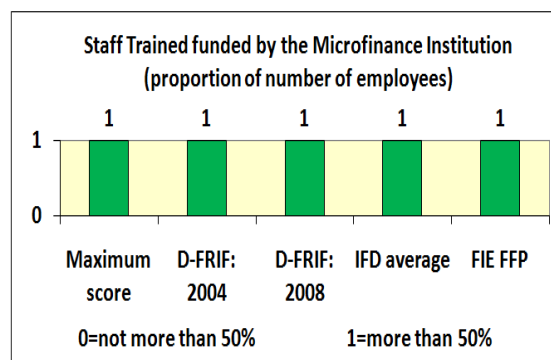
Source: PROFIN Foundation

Training annual plan for staff: D-FRIF reports that in 2008 it institutionalizes an annual training plan for its staff, situation that differs from 2004, when a plan of this nature did not exist. According to the criteria of the audit, the institution shows progress in the indicator, going from a score of zero to a maximum score. In comparison with other MFIs, the score reached by D-FRIF equals the average score of the IFDs and FIE FFP.



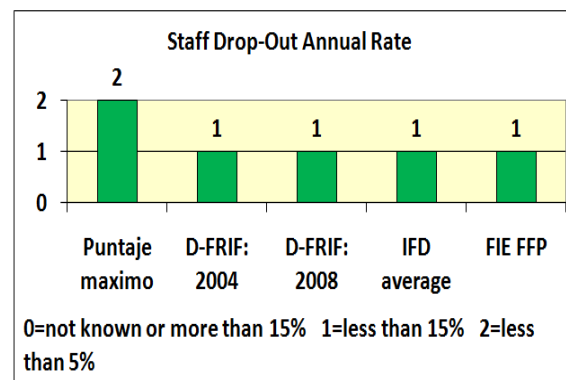
Source: PROFIN Foundation

Proportion of staff trained: D-FRIF reports that in 2008 over 50% of the personnel had received training funded with institution resources, as was the case in 2004. According to the criteria of the audit, D-FRIF has a maximum score for the indicator, equalling the average score of the IFDs and FIE FFP.



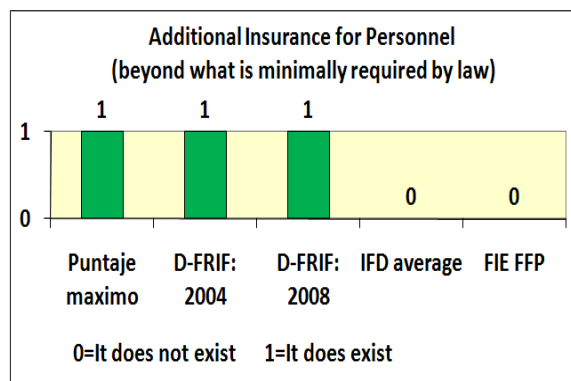
Source: PROFIN Foundation

Staff drop-out rate: D-FRIF reports that in 2008 the staff drop-out annual rate was less than 15%, similar to that recorded in 2004. According to the parameters of the audit, D-FRIF has an intermediate score for the indicator, equalling the average score of the IFDs and FIE private financial fund.



Source: PROFIN Foundation

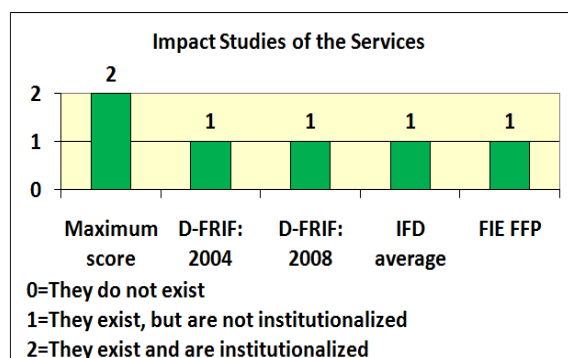
Insurance for staff: D-FRIF reports that in 2008 it provides life and accident insurance for its entire staff, above what is minimally required by law, as was the case in 2004. According to the criteria of the audit, D-FRIF has a maximum score for the indicator and surpasses the average score of the IFDs and FIE private financial fund.



Source: PROFIN Foundation

2.11 SOCIAL RESPONSIBILITY TOWARDS CLIENTS INDICATORS

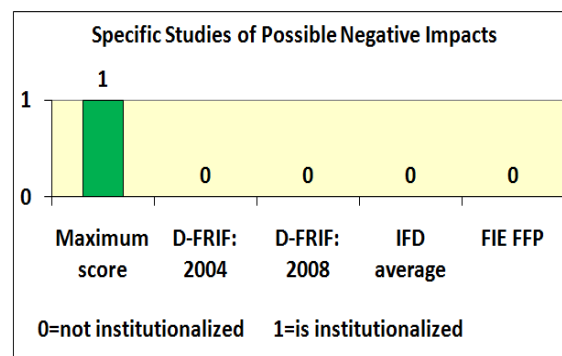
Impact studies: D-FRIF began a study in 2008 in order to know the impact of its services. It also had studies of this nature in 2004. Nevertheless, the execution of impacts has not yet been institutionalized, and is done occasionally. According to the parameters of the audit, the institution has an intermediate score for the indicator, equalling the average score of the IFDs and FIE FFP.



Source: PROFIN Foundation

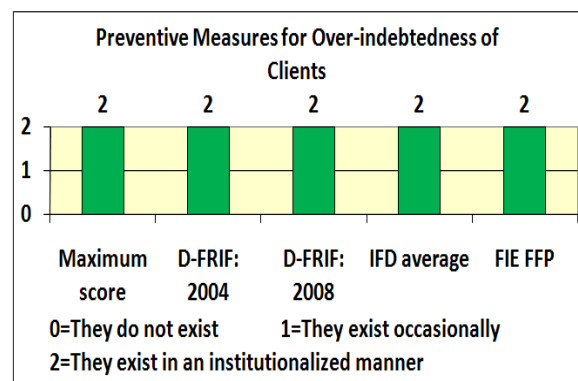
Specific negative impact studies: D-FRIF reports that in 2008 the carrying out of specific studies on possible negative impacts of the services offered has not been institutionalized, as was the case in 2004.

According to the parameters of the audit, the institution has a score of zero for the indicator, equalling the average score of the IFDs and FIE private financial fund.



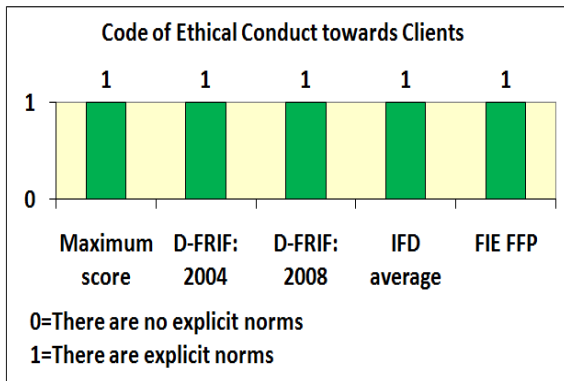
Source: PROFIN Foundation

Prevention of client over-indebtedness: D-FRIF has in 2008 institutionalized measures for preventing over-indebtedness of clients, basically through verification at the credit bureau for all loan requests and other specific policies, as was the case in 2004. According to the parameters of the audit, D-FRIF has maximum scores for the indicator, equalling the average score of the IFDs and FIE FFP.



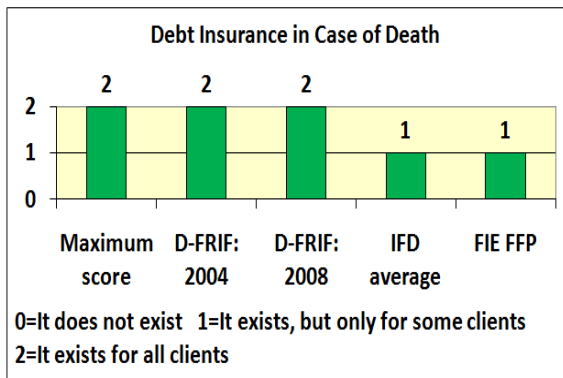
Source: PROFIN Foundation

Code of ethical conduct towards clients: D-FRIF reports that in 2008, among the values of the organization, ethical norms of conduct towards clients are explicitly established, as was the case in 2004. According to the parameters of the audit, the institution has a maximum score for the indicator, equalling the average score of the IFDs and FIE FFP.



Source: PROFIN Foundation

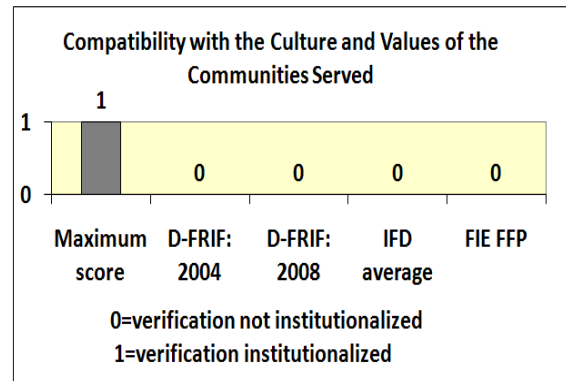
Debt insurance in case of death (Insurance that frees the family from the burden of debt in case of death of the borrower): D-FRIF reports that in 2008 there was insurance of this type for all clients, covering the balance of the debt in case of death of the main borrower of the loan, as was the case in 2004. According to the parameters of the audit, the institution has a maximum score for the indicator, above the average score of the IFDs and FIE private financial fund, that have recently developed this type of insurance, or offer this insurance only for certain clients.



Source: PROFIN Foundation

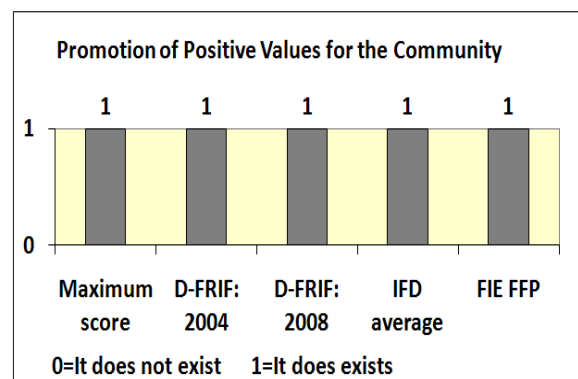
2.12 SOCIAL RESPONSIBILITY TOWARDS THE COMMUNITY INDICATORS

Compatibility with culture and values: D-FRIF reports that in 2008 it has not institutionalized means for verifying in a formal manner the level of adaptation of its interventions with the culture and values of the communities served, as was the case in 2004. According to the criteria of the audit, D-FRIF has a score of zero for the indicator, equalling the average score of the IFDs and FIE FFP.



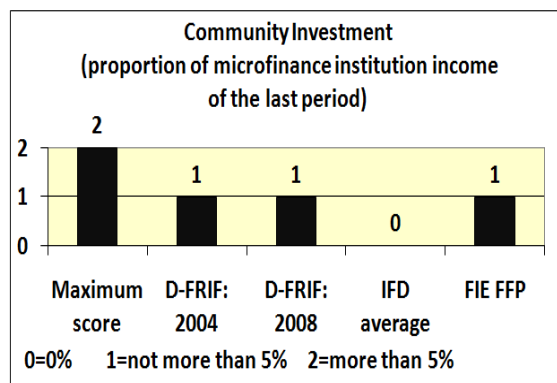
Source: PROFIN Foundation

Promotion of positive values for the community: D-FRIF reports that in 2008 it promotes positive values in the community through its line of funding for care of the environment, as was the case in 2004. According to the parameters of the audit, the institution has a maximum score for the indicator, equalling the average score of the IFDs and FIE private financial fund.



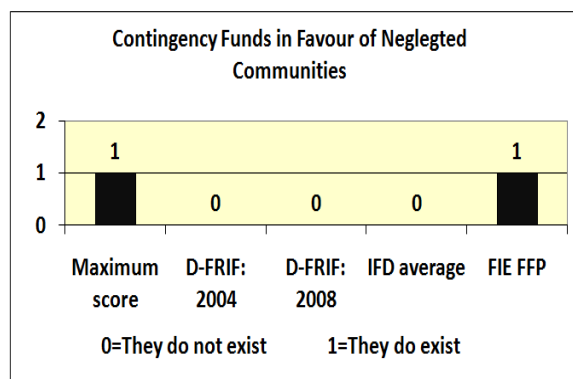
Source: PROFIN Foundation

Community investment: In 2008, D-FRIF contributed an amount of less than 5% of the institution's annual income in favour of social projects executed by Norwegian Mission Alliance, an amount similar to that of 2004. According to the criteria of the audit, D-FRIF has an intermediate score for the indicator, above the average score of the IFDs and equal to the score of FIE FFP.



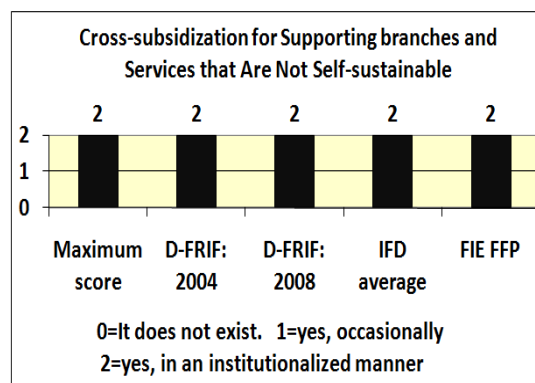
Source: PROFIN Foundation

Contingency fund for disasters in the community: D-FRIF reports that in 2008 it does not have a fund for contingencies that may make available financial resources for aiding the communities served in cases of disasters, as was the case in 2004. According to the criteria of the audit, the institution has a score of zero for the indicator, equalling the average score of the IFDs and below the score of FIE private financial fund.



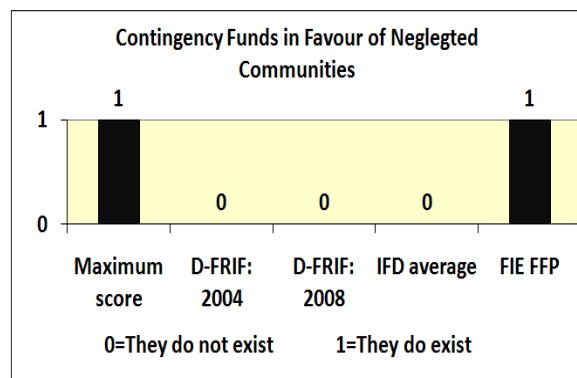
Source: PROFIN Foundation

Cross-subsidization: D-FRIF reports that in 2008 there exists the application of crossed subsidies for maintaining in the market services and offices that are not self-sustainable as an institutionalized policy, as was the case in 2004. According to the parameters of the audit, the institution has a maximum score for the indicator, equalling the average score of the IFDs and FIE FFP.



Source: PROFIN Foundation

Specific funding for generating an impact in the community: D-FRIF reports that in 2008 it offers two lines of funding that promote a positive impact at the community level: funding for social works and funding for the protection of the environment, that have a participation of less than 5% of the loans issued, as was the case in 2004. According to the parameters of the audit, D-FRIF has a score of zero for the indicator due to the low participation of these loans at the portfolio level, equalling the average score of the IFDs and FIE private financial fund.



Source: PROFIN Foundation

3. COMPOSITION OF SCORES BY SUB-DIMENSIONS AND DIMENSIONS OF SOCIAL PERFORMANCE

The aggregation of the indicators previously presented, by sub-dimensions of social performance, generates the results presented in what follows:

D-FRIF Social Audit: Results by Sub-dimensions					
Sub-dimensions	Maximum Points	Actual Points			
		Dec. 2004		Oct. 2008	
		Score	%	Score	%
Geographical outreach: poor and financial excluded areas	8	2	25%	5	63%
Individual outreach: poor and excluded people	8	2	25%	2	25%
Pro poor methodology	9	5	56%	4	44%
Variety of services	8	5.5	69%	5.5	69%
Quality of services	8	5	63%	6	75%
Additional services	9	3	33%	3	33%
Confidence and exchange of information	8	1	13%	3	38%
Participation of clients and profits reinvestment	9	6	67%	7	78%
Empowerment of clients	8	5	63%	5	63%
Social Responsibility towards human resources	8	4	50%	6	75%
Social Responsibility towards clients	8	6	75%	6	75%
Social Responsibility towards the community	9	4	44%	4	44%

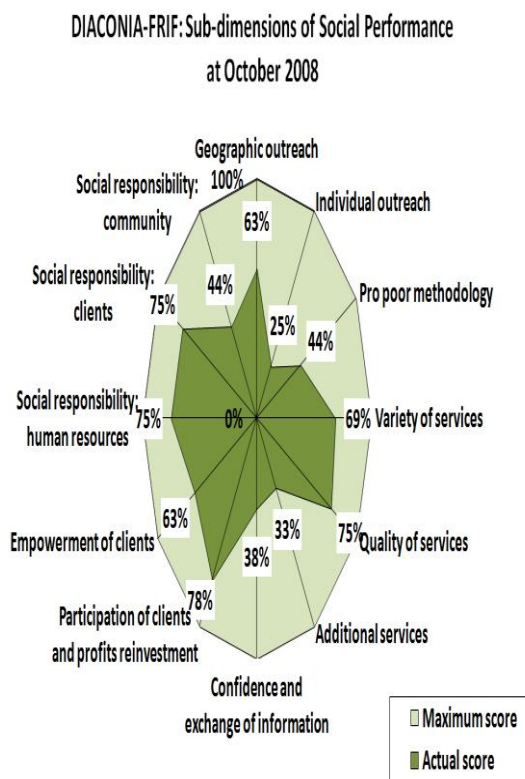
Source: PROFIN Foundation

Sub-dimensions with high scores: Quality of services, participation of clients and profits reinvestment, social responsibility towards human resources and clients. In these sub-dimensions, D-FRIF has in 2008 scores that are equal to or above 75% of the maximum score.

Sub-dimensions with intermediate scores: Outreach in poor and financial excluded areas, variety of services, and empowerment of clients. In these sub-dimensions, D-FRIF has in 2008 scores above 50% but below 75% of the maximum score.

Sub-dimensions with low scores: Outreach of poor and excluded persons, pro poor methodology, additional services, confidence and exchange of information, and social responsibility towards the community: In

these sub-dimensions, D-FRIF has for the year 2008 scores below 50% of the maximum score.



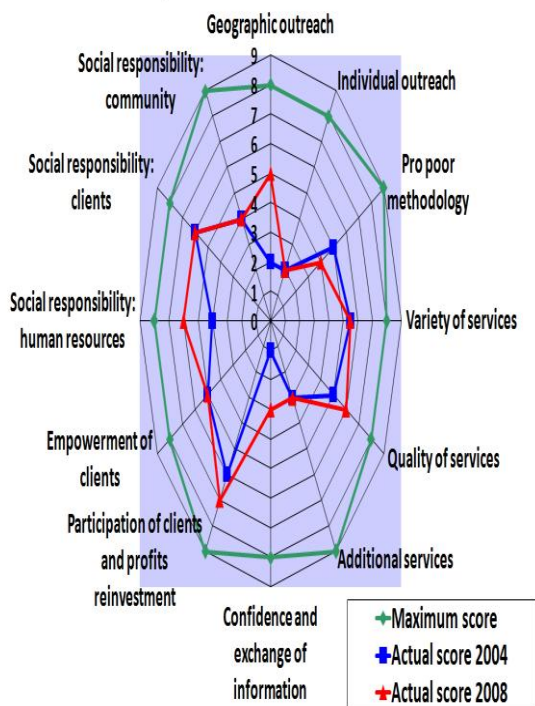
Source: PROFIN Foundation

Sub-dimensions with a change from a low score to a high score: Social responsibility towards human resources. The D-FRIF score in this sub-dimension changes from 50% of the maximum score in 2004 to 75% of the maximum score in 2008.

Sub-dimensions with a change from an intermediate score to a high score: Quality of services and participation of clients and reinvestment of profits: The D-FRIF scores in these sub-dimensions changed from over 50% of the maximum score in 2004 to over 75% of the maximum score in 2008.

Sub-dimensions with a change from a low score to an intermediate score: Outreach of poor and financial excluded areas. The D-FRIF score in this sub-dimension changed from less than 50% of the maximum score in 2004 to more than 50% but not above 75% of the maximum score in 2008.

DIACONIA-FRIF Sub-dimensions of Social Performance:
Comparison of Years 2004 and 2008



Source: PROFIN Foundation

Sub-dimensions that maintain a low score: *Confidence and exchange of information.* In this sub-dimension, D-FRIF has a score of less than 50% of the maximum score both in 2004 and 2008.

Sub-dimensions with a change from an intermediate score to a low score: *Pro poor methodology.* The D-FRIF score in this sub-dimension changed from over 50% of the maximum score in 2004 to less than 50% of the maximum score in 2008.

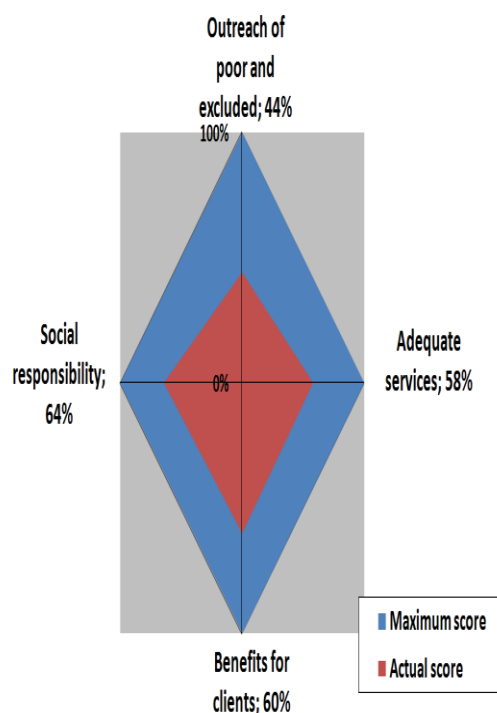
Sub-dimensions without changes in scores: *Social responsibility towards the community, social responsibility towards clients, additional services, variety of services, outreach of poor and/or excluded persons, and empowerment of clients.* In these sub-dimensions the scores obtained by D-FRIF in 2004 are the same as those observed in 2008.

The aggregation of the results of the sub-dimensions according to dimensions of social performance generates the following results:

D-FRIF Social Audit: Results by Sub-dimensions					
Sub-dimensions	Maximum Points	Actual Points			
		Dec. 2004		Oct. 2008	
		Score	%	Score	%
Outreach to the poor and excluded	25	9	36%	11	44%
Adequate services	25	13.5	54%	14.5	58%
Benefits for clients	25	12	48%	15	60%
Social responsibility	25	14	56%	16	64%

Source: PROFIN Foundation

DIACONIA-FRIF: Dimensions of Social Performance,
at October 2008



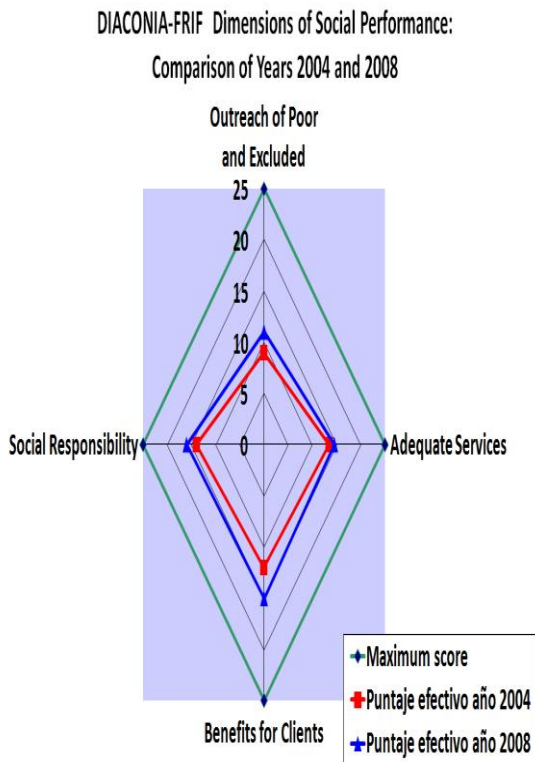
Source: PROFIN Foundation

Dimensions with intermediate actual scores: *Social responsibility, benefits for clients, and adequate services.* In these dimensions, in the year 2008 D-FRIF scores of over 50% but not above 75% of the maximum score.

Dimensions with low effective scores: *Outreach of poor and/or excluded persons.* In this dimension the score that D-FRIF has in the year 2008 is below 50% of the maximum score.

Dimensions with a change from a low score to an intermediate score: *Benefits for clients.* The D-FRIF score in this dimension changed

from less than 50% of the maximum score in 2004 to over 50% but not above 75% of the maximum score in 2008.



Source: PROFIN Foundation

Dimensions that maintain low scores:

Outreach of poor and/or excluded persons

The D-FRIF scores in this dimension remain below 50% of the maximum score, both in 2004 and 2008.

Dimensions that remain with intermediate scores: Social responsibility and adequate services.

In these dimensions the D-FRIF scores remain above 50% but do not exceed 75% of the maximum score, both in 2004 and 2008.

For finalizing, the following chart presents the scores expected of D-FRIF in each dimension, based on its importance as an organizational objective. Based on this information, we identify the following results:

Dimensions with an actual score considerably below the expected score: Outreach of poor and/or excluded persons.

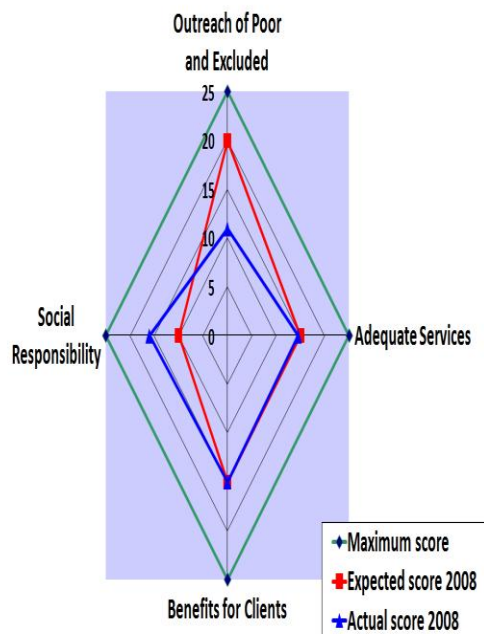
In this dimension

the actual score of D-FRIF represents only 55% of the expected score.

D-FRIF Social Audit: Comparison of Actual Points and Expected Points			
Dimensions	Actual Score 2008	Expected Score	Ratio
Outreach of the poor and excluded	11	20	55%
Adequate services	14.5	15	97%
Benefits for clients	15	15	100%
Social responsibility	16	10	160%

Source: PROFIN Foundation.

DIACONIA-FRIF. Dimensions of Social Performance:
Comparison between actual score and expected score



Source: PROFIN Foundation

Dimensions with an actual score similar to the expected score: Adequate services and benefits for clients.

In these dimensions the actual scores of D-FRIF are close to or equal to 100% of the expected score.

Dimensions with an actual score that is considerably greater than the expected score: Social responsibility.

In this dimension the actual score of D-FRIF surpasses the expected score by 60%.

4. GLOBAL D-FRIF SCORES

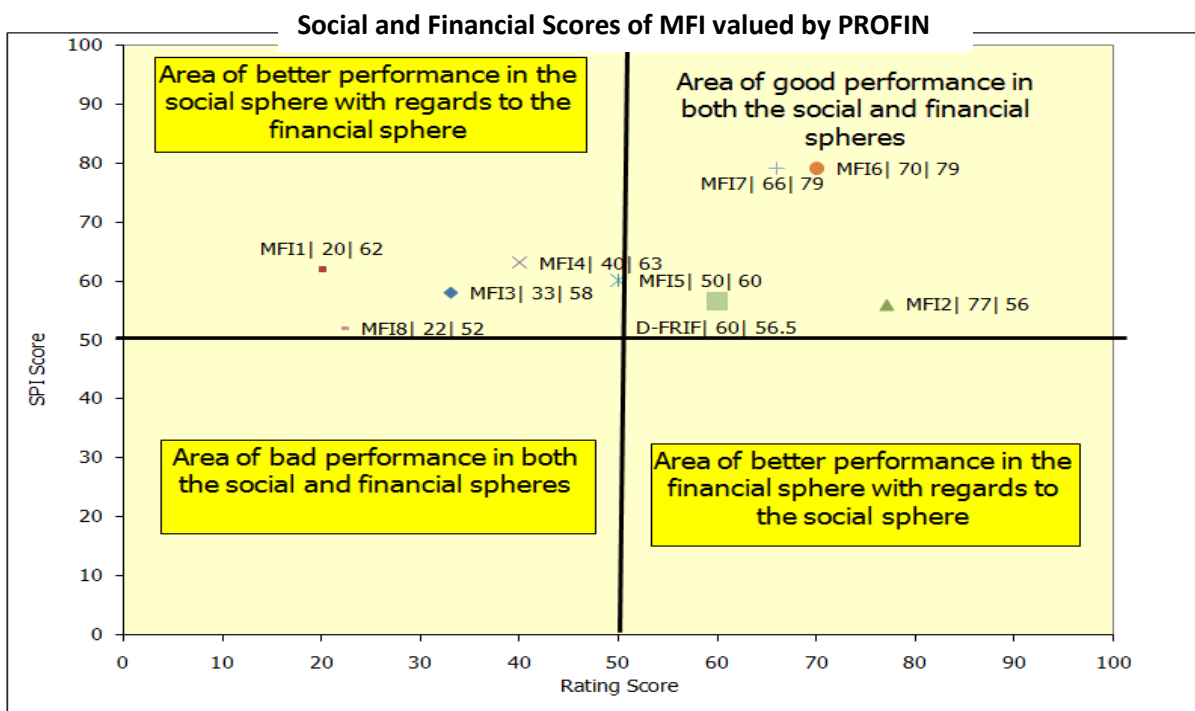
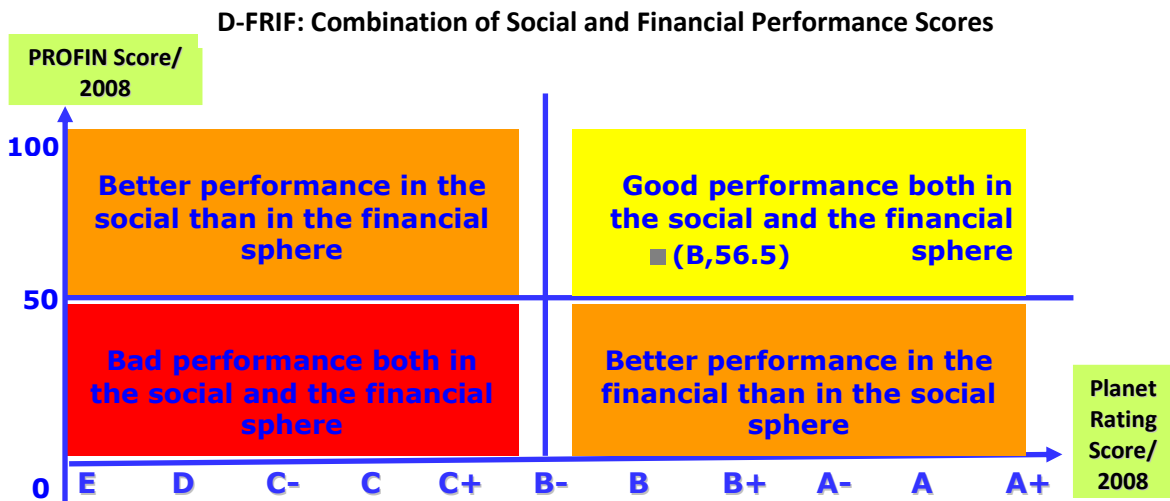
Global score of D-FRIF's social performance

The institution obtains a score of 56.5 points out of 100, considering October 2008 as the cut-off date. In comparison with the year 2004, D-FRIF's global score shows an increase from 48.5 to 56.5 points.

The graph that follows combines the score of the social audit realized by PROFIN in 2008 with the financial score issued by Planet Rating in the same year. This combination places D-FRIF at the lower end of the **area of good performance in both the social and**

financial spheres, the area in which is located institutions whose social and financial score is above the medium respective score.

The following graph indicates where the combination of scores of the other microfinance institutions evaluated by PROFIN are located. As may be observed, most IFDs are in the area of good social performance rather than good financial performance. In the area of both good performance in the financial as well as in the social sphere are IFDs with a focus on the village banking methodology, D-FRIF and FIE private financial fund.



Source: PROFIN Foundation

5. THE MOST OUTSTANDING ELEMENTS OF D-FRIF'S SOCIAL PERFORMANCE, AND CHALLENGES

Most Outstanding Elements

Outreach of the poor and excluded

- Majority outreach of women clients.
- Flexible payment modes.

Adequate services

- Diversification of loan products; as well as having individual traditional microcredit and village banking technologies, D-FRIF is one of the IFDs that is better positioned in the provision of microfinancing for homes. It also has specific lines of funding for social work and for protection of the environment.
- The withdrawal rate of clients is lower than that of other IFDs.

Benefits for clients

- Reinvestment of profits in the diversification of services, the expansion of areas of operation, and the reduction of interest rates.

Social responsibility

- Participation of personnel representatives in the Board of Directors of the institution.
- Insurance for personnel beyond what is minimally required by law.
- Insurance that frees the family from the burden of debt in case of death of the borrower.
- Donations of profits for community investments.
- Institutionalization of the annual training plan for personnel.

Challenges

Outreach of the poor and excluded

- Expansion of outreach in rural areas and in neglected areas.
- Institutionalization of instruments for determining outreach in poor areas and of poor persons.
- Deepening of outreach of financial services (not only loans) for poor persons.
- Deepening of outreach in the rural productive sector and development of

alternative guarantees (forestry guarantees, moveable goods guarantees, productive micro-warrants, productive micro-leasing, and agriculture by contracts).

Adequate services

- Segmentation of markets and offer of adequate services for each segment.
- Development of offer of savings products; the village banking methodology is an opportunity for learning for the future provision of savings services in the framework of existing regulations.
- Development of micro-insurance and/or loan products for emergencies.
- Reduction of transaction costs for clients.

Benefits for clients

- Greater penetration with the Development Plans (PDMs) of the municipalities as inputs for institutional planning and/or for the establishment of cooperation links with municipal governments.
- Development of procedures for the communication of and response to client complaints.
- Institutionalization of means for strengthening communication between the institution and clients.
- Promotion of social cohesion of clients for activities that generate economic and social benefits (participation in contests, participation in tenders, organization of fairs, etc.).

Social responsibility

- Institutionalizing salary transparency of all levels of the organization.
- Reduction of the staff drop-out rate.

Transversal theme

- Institutionalization of the administration of social performance, involving three basic components: 1) the "operationalization" of the mission under specific social objectives and goals; 2) the development of information systems for monitoring and evaluating social performance; 3) the use of social performance information for decision-making and alignment of the internal systems with the social objectives.

ANNEX 1: SCORES TABLES

D-FRIF Dimension 1: Outreach of poor and/or excluded persons							
Sub-dimension	Indicator		Maximum Score	Actual Scores			
				D-FRIF Oct. 2004	D-FRIF Dec. 2008	IFD Average	FIE FFP
Geographic outreach	1.2	Verification of outreach	2	0	1	1	1
	1.10	Outreach of poor areas	2	2	2	2	2
	1.11	Outreach of rural areas	2	0	1	1	0
	1.12	Outreach of financial excluded areas	2	0	1	1	0
	Sub-totals		8	2	5	5	3
Individual outreach	1.3	Degree of outreach of poor	3	0	0	0	0
	1.13	Outreach of women	2	2	2	1	1
	1.14	Outreach of rural producers	2	0	0	1	0
	1.15	Outreach of the poorest	1	0	0	0	0
	Subtotals		8	2	2	2	1
Pro poor Methodology	1.5	Social guarantees	3	2	1	2	1
	1.6	Specific financial methodologies	2	1	1	1	0
	1.7	Loans for lower amounts	2	0	0	1	0
	1.8	Minimum amount of instalments	1	1	1	1	1
	1.9	Minimum amount of savings	1	1	1	1	1
	Subtotals		9	5	4	6	3
Total			25	9	11	14	7

D-FRIF Dimension 2: Adequate Services							
Sub-dimension	Indicator		Maximum Score	Actual Scores			
				D-FRIF Oct. 2004	D-FRIF Dec. 2008	IFD Average	FIE FFP
Variety of Services	2.1	Diversification of types of loans	1	1	1	1	1
	2.2	Loans for emergencies	1	0	0	0	1
	2.3	Loans for social ends / long-term loans	2	2	2	2	2
	2.4	Loan payment modes	2	2	2	1	2
	2.5	Provision of savings products	1	0.5	0.5	0.5	1
	2.6	Savings for social needs	1	0	0	0	0
	Subtotals		8	5.5	5.5	4.5	7
Quality of services	2.10	Speed of disbursements	1	1	1	1	1
	2.11	Transparency of loan costs	1	1	1	1	1
	2.12	Loans with adequate terms	1	1	1	1	1
	2.13	Client studies	2	0	1	1	1
	2.14	Monitoring of causes of client withdrawals	1	0	0	0	0
	2.15	Client withdrawal rate	2	2	2	1	2
Subtotals		8	5	6	5	6	
Additional services	2.7	Auxiliary financial services	1	0	1	1	1
	2.8	Dispersion of branches	1	0	1	1	0
	2.9	Mobile services	2	0	1	1	1
	2.16	Provision of non-financial services	1	1	0	1	0
	2.17	Entrepreneurial development services	2	0	0	1	0
	2.18	Services with specific social objectives	2	2	0	1	0
	Subtotals		9	3	3	6	2
Totals			25	13.5	14.5	15.5	15

D-FRIF Dimension 3: Additional Benefits for Clients							
Sub-dimension	Indicator		Maximum Score	Actual Scores			
				D-FRIF Oct. 2004	D-FRIF Dec. 2008	IFD Average	FIE FFP
Confidence and exchange of information	3.1	Dissemination of information to clients	2	0	0	0	2
	3.2	Communication of client complaints	2	1	1	1	2
	3.3	Savings behaviour	2	0	2	2	2
	3.8	Consultation of local development plans	2	0	0	1	0
	Subtotals		8	1	3	4	6
Participation of clients and reinvestment of profits	3.4a	Participation in funded groups	2	2	2	2	0
	3.4b	Participation in the institution	2	0	0	0	0
	3.5	Reinvestment in diversification	2	2	2	2	2
	3.6	Reinvestment in expansion	2	2	2	2	2
	3.7	Reduction of interest rates	1	0	1	1	1
	Subtotals		9	6	7	7	5
Empowerment of clients	3.9	Strengthening of social capital	2	2	2	2	0
	3.10	Strengthening of management and leadership client skills	2	2	2	2	0
	3.11	Promotion of client cohesion	2	0	0	0	0
	3.12	Transmission of client interests	2	1	1	1	1
	Subtotals		8	5	5	5	1
Totals			25	12	15	16	12

D-FRIF Dimension 4: Social Responsibility							
Sub-dimension	Indicator		Maximum Score	Actual Scores			
				D-FRIF Oct. 2004	D-FRIF Dec. 2008	IFD Average	FIE FFP
Social responsibility towards human resources	4.1	Salary transparency	1	0	0	1	1
	4.2	Personnel training plan	1	0	1	1	1
	4.3	Personnel trained	1	1	1	1	1
	4.4	Staff participation in decision-making	2	1	2	1	1
	4.5	Health insurance for personnel	1	1	1	0	0
	4.6	Withdrawal of personnel	2	1	1	1	1
	Subtotals		8	4	6	5	5
Social responsibility towards clients	4.7	Impact studies of clients	2	1	1	1	1
	4.8	Specific study of negative impacts	1	0	0	0	0
	4.9	Measures for preventing over-indebtedness	2	2	2	2	2
	4.10	Code of conduct towards clients	1	1	1	1	1
	4.11	Insurance in case of death of the borrower	2	2	2	1	1
	Subtotals		8	6	6	5	5
Social responsibility towards the community	4.12	Compatibility with culture and values	1	0	0	0	0
	4.13	Positive change in local culture	1	1	1	1	1
	4.14	Specific funding for generating an impact in the community	2	0	0	0	0
	4.15	Community investment	2	1	1	0	1
	4.16	Crossed subsidies	2	2	2	2	2
	4.17	Contingency funds	1	0	0	0	1
	Subtotals		9	4	4	3	5
Total			25	12	15	16	12

ANNEX 2: DATA COLLECTION QUESTIONNAIRE



**Social Audit
of Microfinance Institutions
Based on the
SPI2.1 CERISE Tool**

Questionnaire for Data Collection

Microfinance Institution:

FUNDACION DIACONIA-FRIF

**Cut-off date: October 2008, with
comparisons at December 2004**

History, Values and Social Mission of the Institution
1) Date of creation and background on the origins of the institution
Norwegian Mission Alliance (founded in Bolivia in 1979), worried about the lack of work and housing in the families of the beneficiary children of its scholarship programme, requested the Government of Norway projects for loan programmes. As a result, D-FRIF is born in 1991, beginning operations with funding for the construction of 21 homes for women in Viacha. That year, 17 houses in the Río Seco zone of the city of El Alto are purchased from FONVIS (National Housing Fund) for the families of blind persons. In 1992 close to 30 homes are financed in the Kupini area of the city of La Paz. Fifty percent of the loan was paid with the sponsorship loan and 50% with the contributions of clients. In 1992 the institution entered the rural area at Achiri and Santiago de Machaca (both La Paz Provinces). In March 2002 microfinance associations (village banking) were founded with loans for groups of women with low income. Presently, D-FRIF has operations in La Paz, Beni, Oruro, Cochabamba, and Chuquisaca.
2) Description of the governance structure of the institution
The Board of Directors is the highest instituted sphere of governance. The General Manager's office is the body with the highest executive hierarchy.
3) Specify how the Board of Directors of the institution is made up and what the interests of its members are in the social field
Made up of seven title-holding members; Norwegian Mission Alliance names the President and four title-holding members; D-FRIF personnel elects two members.
4) Specify who the fund-providers of the institution are and what their interests in the social field are
The main fund-provider is Norwegian Mission Alliance with great interest in the social sphere, based on biblical principles.
5) Specify with what institutions / organizations the institution has alliances or realizes collective actions and what their interests in the social field are

Norwegian Mission Alliance of Bolivia: Annually D-FRIF contributes a donation for the execution of social works of Mission Alliance that executes several social projects.
6) Specify the organizational values of the institution (explicit description)
<ul style="list-style-type: none"> -Non-discriminatory treatment -Genuine service for persons with meagre resources -Respect of client culture -No abuse of client -Saying the truth and fulfilling one's word -Punctuality -Timeliness of loans -Commitment and participation on the part of personnel -Respect for the laws of the country -Listening to the problems of the client -Transparency of information -Raising clients' self-esteem
7) Specify the vision of the institution (explicit description)
D-FRIF has the vision of being a leading institution in loans for persons with meagre resources through diaconal service, the characteristics of which are: <ul style="list-style-type: none"> -treatment that is respectful and with dignity towards the client and his or her cultural values, -administrative procedures with only the required documents, -timeliness in disbursements, -interest rates that are reasonable for the market and for the institution itself, and -flexibility of guarantees.
8) Specify the mission of the institution (explicit description)
The reason for the existence of D-FRIF is to contribute towards improving the income of persons with meagre resources in the peripheral urban zones and the depressed rural area, through easy access to loans for microenterprises and popular housing.
9) Specify whether changes have taken place regarding the original mission of the institution and the reasons for the changes
No
10) Specify the social objectives of the institution (explicit description).
There is no explicit description beyond the organizational values and the mission.

Financial Sustainability and Dimensions of Social Performance Evaluated by Tool							
Dimensions of Social Performance	Importance of Each Dimension from the Organizational Perspective				Strategies of the Institution Regarding Each Dimension	Strengths that FACILITATE the Implementation of the Strategy	Weaknesses that LIMIT the Implementation of the Strategy
	0	1	2	3			
Outreach of poor and/or excluded persons				X	-Microcredit technologies and other financial services -Focalization of work with women -Diversification of methodologies -Flexibility of guarantees -Easy access to loans	-Knowledge of the market -Adequate personnel, with local knowledge -Financial resources -Location of the offices	-High level of competition -Lack of more committed field personnel
Services that are adequate for the target clients			X	X	-Adequate services -Diversification of products	-Experience in microcredit -Work of the internal team	-Concentration of portfolio in El Alto -Over-indebtedness of clients
Socio-economic benefits for clients			X	X	-Accessible financial services -Reduction of interest rates -Preferential rates for old clients	-Availability of resources -Personnel with experience -Diaconal service	-Lack of committed field personnel
Social responsibility		x	X		-Service for population with lower income -Products with social ends	-Adequate offices -Agreement with Mission Alliance	-Impossibility of responding to multiple social demands -Lack of relationship with local institutions and municipal governments
Financial sustainability achievement: Yes			X	X	-Generation of surplus	-Knowledge of financial activity -Portfolio growth -Financial resources	-Scarce and expensive funding -Little preparation for regulation

Dimension 1: Outreach of Poor and/or Excluded Persons
(25 points)

Indicator 1.1 Intention of outreach in poor and/or excluded areas

Sub-dimension 1.1 Geographic outreach

What is the intention of outreach in poor and/or neglected geographic areas in terms of the number of borrowers?

0 = not more than 5%

1 = not more than 50%

2 = more than 50%

Score, year 2004: 0 1 2

Score, year 2008: 0 1 2

Indicator 1.2 Verification of outreach

Sub-dimension 1.1 Geographic outreach

How does the institution verify that it operates effectively in poor and/or excluded geographical areas?

0 = not verified

1 = informal verification

2 = formalized verification

Score, year 2004: 0 1 2

Score, year 2008: 0 1 2

If the answer is other than 0, specify the means of verification:

- Official poverty indicators
- Human Development Index
- Outreach of financial services
- Areas of establishment of migrants
- Areas with poor housing
- Analysis at Board meetings
- Others (specify):

Indicator 1.3 Breadth of outreach of poor

Sub-dimension 1.2: Individual outreach

What proportion of the persons that are new clients are poor persons?

0 = not more than 5% or there are no records

1 = not more than 50%

2 = more than 50%

3 = more than 90%

Score, year 2004: 0 1 2 3

Score, year 2008: 0 1 2 3

Auditor's note: D-FRIF does not possess information for determining the individual level of poverty of its clients.

Indicator 1.4 Quality control of tools for measuring poverty

Sub-dimension 1.2: Individual outreach

How does the institution verify the level of adequateness and dependability of the tools employed for determining outreach of the poor?

0 = not verified

1 = informal verification

2 = formal verification

Score, year 2004: 0 1 2

Score, year 2008: 0 1 2

If the answer is other than 0, specify the means of verification:

- Discussions with key persons
- Observations of the personnel
- Surveys realized by the institution
- Surveys of specialized entities
- Others (specify):

Indicator 1.5: Social guarantees

Sub-dimension 1.3 Pro poor Methodology

What proportion of the total number of active loans are loans supported by social guarantees?

Social guarantees = solidarity, personal, physical guarantees of very low commercial value, and obligatory savings of symbolic amounts

	Dec. 2004	Oct. 2008
a) Number of loans with social guarantees	8,242	10,384
b) Total number of active loans	13,992	22,046
c) Proportion (ratio a/b)	59%	47%

0 = not more than 5%

1 = not more than 50%

2 = more than 50%

3 = more than 90%

Score, year 2004: 0 1 2 3

Score, year 2008: 0 1 2 3

What social guarantees are accepted?

- Social guarantees are not accepted
- Solidarity and group guarantees
- Personal guarantees
- Physical guarantees of low commercial value
- Obligatory savings

Others (specify):

Indicator 1.6 Specific financial methodologies
Sub-dimension 1.3 Pro poor Methodology

What proportion of the total number of borrowers are borrowers of loans issued under financial methodologies that are specific for the poor and/or excluded?

	Dec. 2004	Oct. 2008
a) Borrowers through specific methodologies	8,242	10,384
b) Total number of borrowers	21,376	39,676
c) Proportion (ratio a/b)	39%	26%

0 = less than 5% of the amount of loans
1 = less than 50%
2 = more than 50%
Score, year 2004: 0 1 2
Score, year 2008: 0 1 2

What are the specific financial methodologies for the poor and/or excluded population?

- There are no specific methodologies
 Credit through village banking
 Others (specify):

Indicator 1.7 Loans of lower amounts
Sub-dimension 1.3 Pro poor Methodology

What proportion of the number of loans disbursed in the past 12 months are loans of less than US\$ 290?

	Dec. 2004	Oct. 2008
a) Loans < US\$ 290 disbursed in the past year	2,299	2,981
b) Total number of loans disbursed	14,530	23,278
c) Proportion (ratio a/b)	16%	13%

0= not more than 30%
1= more than 30%
2= more than 60%
Score, year 2004: 0 1 2
Score, year 2008: 0 1 2

Indicator 1.8 Minimum amount of instalments

Sub-dimension 1.3 Pro poor Methodology

Is the monthly instalment of minimum loans above US\$ 10 (1% of the GDP per capita of Bolivia)?

0 = yes
1 = no
Score, year 2004: 0 1
Score, year 2008: 0 1

Indicator 1.9 Minimum amount of savings
Sub-dimension 1.3 Pro poor Methodology

Is the minimum amount required for beginning to save with the village bank above US\$ 10?

0 = yes
1 = no
Score, year 2004: 0 1
Score, year 2008: 0 1

Indicator 1.10: Loans in poor areas
Sub-dimension 1.1 Geographic outreach

What proportions of the total number of borrowers are served in poor areas?

	Dec. 2004	Oct. 2008
a) Number of loans in poor areas	21,376	29,028
b) Total number of active borrowers	21,376	39,676
c) Proportion (ratio a/b)	100%	73%

0 = not known or not more than 10%
1 = not more than 50%
2 = more than 50%
Score, year 2004: 0 1 2
Score, year 2008: 0 1 2
Auditor's note: Outreach is determined with the INE Poverty Map, considering poor areas all municipalities with degrees of poverty 2, 3, 4, and 5 (more than 60% of poor homes). D-FRIF does not possess own criteria for determining the outreach.

Indicator 1.11 Loans in rural areas
Sub-dimension 1.1 Geographic outreach

What proportions of the total number of borrowers are served in rural areas?

	Dec. 2004	Oct. 2008
a) Number of borrowers in rural areas	1,449	5,435
b) Total number of active borrowers	21,376	39,676
c) Proportion (ratio a/b)	7%	14%

0= not known or less than 10%

1= less than 50%

2= more than 50%

Score, year 2004: 0 1 2

Score, year 2008: 0 1 2

Auditors note: Outreach is determined considering rural areas all municipalities that are not department capitals, excluding El Alto. This criterion is the same as that employed by D-FRIF for informing its union network.

**Indicator 1.12 Agencies in neglected areas
Sub-dimension 1.1 Geographic outreach**

How many agencies are located and/or serve with mobile services areas in which there is a lack of presence of other financial institutions?

	Dec. 2004	Oct. 2008
a) Offices in financial excluded areas (Ixiamas, San Buenaventura, Puerto Pérez)	0	3
b) Total number of offices	8	30
c) Proportion (ratio a/b)	0%	10%

0 = less than 5% of the offices

1 = less than 30%

2 = more than 30%

Score, year 2004: 0 1 2

Score, year 2008: 0 1 2

Auditor's note: Outreach was determined based on PROFIN Foundation data. D-FRIF does not possess own criteria for determining outreach of financial excluded areas.

**Indicator 1.13 Loans to women
Sub-dimension 1.2 Individual outreach**

What proportion of the total number of borrowers are women that are the main borrowers of the loan?

	Dec. 2004	Oct. 2008
a) Number of women that are the main borrowers of the loans	14,453	24,765
b) Total number of active borrowers	21,376	39,676
c) Proportion (ratio a/b)	68%	62%

0 = not known or not more than 10%

1 = not more than 50%

2 = more than 50%

Score, year 2004: 0 1 2

Score, year 2008: 0 1 2

**Indicator 1.14 Outreach of rural producers
Sub-dimension 1.1 Individual outreach**

What proportion of the number of borrowers are small agricultural–livestock-breeding producers?

	Dec. 2004	Oct. 2008
a) Loans to small rural producers	309	1,253
b) Total number of active loans	21,376	39,676
c) Participation (ratio a/b)	1%	3%

0 = not known or not more than 10%

1 = not more than 30%

2 = more than 30%

Score, year 2004 0 1 2

Score, year 2008 0 1 2

**Indicator 1.15: Outreach of the poorest
Sub-dimension 1.2 Individual outreach**

What proportion of the borrowers are extremely poor persons?

0 = not known or less than 20% of borrowers

1 = more than 20%

Score, year 2004 0 1

Score, year 2008 0 1

**Dimension 2: Adequate services
(25 points)**

**Indicator 2.1 Diversification of loans
Sub-dimension 2.1 Variety of services**

How many different types of loans does the institution provide?

	Dec. 2004	Oct. 2008
Number of types of loans: 1) loans for housing, 2) individual loans for financing economic activities (commerce, services, production), 3) Green Line Credit, 4) loans for social works, and 5) loans for microcredit associations (based on the village banking methodology)	5	5

0 = only one or two

1 = more than two

Score, year 2004: 0 1

Score, year 2008: 0 1

**Indicator 2.2 Emergency loans
Sub-dimension 2.1 Variety of services**

Does the institution provide emergency loans (with terms of no more than 3 months, disbursement in no more than 2 days, and unrestricted use)?

0 = no

1 = yes

Score, year 2004: 0 1

Score, year 2008: 0 1

**Indicator 2.3: Long-term loans and/or loans with specific social ends
Sub-dimension 2.1 Variety of services**

Does the institution provide loan products with terms of payment of more than 1 year and/or loan products specifically aimed at satisfying social needs (housing, health, education, etc.)?

	Dec. 2004	Oct. 2008
Number of products: 1) loans for housing, 2) individual loans for financing economic activities, 3) Green Line Credit, and 4) loans for social works	5	5

0 = there are no products of this type

1 = one loan product

2 = more than one loan product

Score, year 2004: 0 1 2

Score, year 2008: 0 1 2

**Indicator 2.4 Modes of payment of the loan
Sub-dimension 2.1 Variety of services**

What are the modes of payment of the loan?

0 = there is only one form of payment

1 = the institution proposes the forms of payment for the client to choose

2 = the mode is defined between the institution and the client in most or all cases

Score, year 2004: 0 1 2

Score, year 2008: 0 1 2

**Indicator 2.5 Provision of savings products
Sub-dimension 2.1 Variety of services**

Does the institution provide savings products directly and/or indirectly (through alliances with financial institutions and/or the village banking methodology), with a outreach of depositors of more than 5% of borrowers?

	Dec. 2004	Oct. 2008
Number of products: 1) obligatory savings, and 2) voluntary savings, both under the methodology of village banking	2	2
a) Number of depositors	8,305	18,813
b) Number of borrowers	21,376	39,676
c) Ratio a/b	39%	47%

0 = no

0.5 = savings with village banking

1 = formal savings

Score, year 2004: 0 0.5 1
 Score, year 2008: 0 0.5 1

Indicator 2.6 Savings for social ends
Sub-dimension 2.1 Variety of services

Does the institution provide savings products with social ends (health, housing, education, etc.) directly (or indirectly through alliances or the village banking methodology)?

0 = no

1 = yes

Score, year 2004: 0 1

Score, year 2008: 0 1

Indicator 2.7 Auxiliary financial services
Sub-dimension 2.3 Additional services

Does the institution provide auxiliary services directly or indirectly through alliances at more than 5% of the branches?

	Dec. 2004	Oct. 2008
a) Number of auxiliary financial services: 1) national transfers, and 2) international transfers	0	2
b) Number of branches that provide them	0	10
c) Total number of branches	8	30
d) Participation (ratio b/c)	0%	33%

0 = no

1 = yes

Score, year 2004: 0 1

Score, year 2008: 0 1

Indicator 2.8 Dispersion of branches
Sub-dimension 2.3 Additional services

What is the average distance between the offices and the closest department capital city (measured in hours of travel by public transport)?

	Dec. 2004	Oct. 2008
Average distance	2 hours	3 hours

0 = average distance not more than 2 hours
 1 = average distance more than 2 hours

Score, year 2004: 0 1

Score, year 2008: 0 1

Indicator 2.9 Mobile banking services
Sub-dimension 2.3 Additional services

What proportion of the total number of borrowers has access to mobile banking services (mobile cashiers, fixed cashiers, banking by internet, etc.)?

	Dec. 2004	Oct. 2008
a) Number of borrowers with access to mobile banking	135	4,857
b) Total number of borrowers	21,376	39,676
c) Proportion (ratio a/b)	0.63%	12%

0 = not more than 5% of borrowers

1 = not more than 50%

2 = more than 50%

Score, year 2004: 0 1 2

Score, year 2008: 0 1 2

What are the mobile banking services that the institution offers?

Mobile cashier for individual loans

Mobile service for village banking meetings at meetings determined by the associations

Banking by internet

Banking by mobile phone

Others (specify):

Indicator 2.10 Speed of disbursements
Sub-dimension 2.2 Quality of services

How many days does it take, on average, from the day of the application to the disbursement of the loan when credit is applied for for the first time?

	Dec. 2004	Oct. 2008
Average in days	3 to 5	3 to 5

0 = more than 10 days

1 = not more than 10 days

Score, year 2004: 0 1

Score, year 2008: 0 1

Indicator 2.11 Transparency in costs
Sub-dimension 2.2 Quality of services

Do the clients receive written receipts of their financial transactions that divide payments into amortization, interest, and other costs?

0 = no, or yes partially

1 = yes, completely

Score, year 2004: 0 1

Score, year 2008: 0 1

Indicator 2.12 Loans with adequate terms
Sub-dimension 2.2 Quality of services

Is the term of payment of the loan adequate for the economic activity and/or payment capacity of the clients?

0 = no, or yes partially

1 = yes, completely

Score, year 2004: 0 1

Score, year 2008: 0 1

Indicator 2.13 Client studies
Sub-dimension 2.2 Quality of services

Does the institution have client studies as inputs for improving the quality of its products and services?

0 = no

1 = yes, occasionally

2 = yes, regularly

Score, year 2004: 0 1 2

Score, year 2008: 0 1 2

If the score is 1 or 2, what means are applied for collecting the information?

- Meetings with clients
- Forms for incoming or withdrawing clients
- Client surveys
- Focal groups
- Client consultation groups
- External impact and client satisfaction studies
- Others (specify)

Indicator 2.14 Monitoring of the causes of client withdrawals
Sub-dimension 2.2 Quality of services

Does the institution know the reasons for which its clients leave or are inactive (do not realize transactions for more than one year)?

0 = no, or yes, occasionally

1 = yes, regularly

Score, year 2004: 0 1

Score, year 2008: 0 1

If the score is 1 or 2, what means are applied for collecting the information?

- Meetings with clients
- Forms filled out when the client withdraws
- Surveys of clients
- Focal groups
- Client consultation groups
- Others (specify)

Indicator 2.15 Rate of client withdrawal
Sub-dimension 2.2 Quality of services

What is the withdrawal rate of clients for the past year, according to the M-CRIL formula?

	Dec. 2004	Oct. 2008
a) Borrowers at the beginning of the period	11,600	34,355
b) New borrowers that entered in the past year	11,895	7,735
c) Borrowers at the end of the period	21,376	39,676
Withdrawal rate ((A+C)-C)/(A+B)	9%	6%

0 = Data not available or rate above 30%

1 = Withdrawal rate of 15% to 30%

2 = Withdrawal rate less than 15%

Score, year 2004: 0 1 2

Score, year 2008: 0 1 2

Indicator 2.16 Non-financial services
Sub-dimension 2.3 Additional services

Does the institution provide non-financial services to its clients, directly and/or through alliances or agreements with other institutions?

0 = no, or yes, for some clients

1 = yes, for all clients

Score, year 2004: 0 1

Score, year 2008: 0 1

Auditor's note: In 2004 the service of a PAP test was provided for women members of the village bank; this has been cancelled in 2008.

Indicator 2.17 Non-financial services for entrepreneurial development
Sub-dimension 2.3 Additional services

Does the institution provide non-financial services for entrepreneurial development (business training, management of family budget, etc.), directly or through alliances with institutions?

0 = no

1 = yes, obligatory use, in most cases

2 = yes, voluntary use, in most cases

Score, year 2004: 0 1 2

Score, year 2008: 0 1 2

Indicator 2.18 Non-financial services with specific social ends
Sub-dimension 2.3 Additional services

Does the institution provide non-financial services for covering social needs (literacy, health, awareness-building in gender, etc.)?

0 = no

1 = yes, obligatory use, in most cases

2 = yes, voluntary use, in most cases

Score, year 2004 0 1 2

Score, year 2008 0 1 2

Dimension 3: Benefits for Clients
(25 points)

Indicator 3.1 Dissemination of information to clients
Sub-dimension 3.1 Confidence and exchange of information

Do the clients have access to information regarding the financial and/or social performance of the institution?

0 = no

1 = yes, when requested

2 = yes, through means of dissemination specifically aimed at clients

Score, year 2004: 0 1 2

Score, year 2008: 0 1 2

If the answer is other than 0, justify:

Indicator 3.2 Communication of complaints
Sub-dimension 3.1 Confidence and exchange of information

In the event of conflicts, claims and/or complaints by clients, what are the opportunities for discussion that the institution offers?

0 = The loan officer or cashier is the sole person that deals with the client.

1 = The client may meet with the manager if desired.

2 = There is a specific procedure or person in charge of dealing with conflicts.

Score, year 2004: 0 1 2

Score, year 2008: 0 1 2

If the answer is 2, specify the strategy:

Indicator 3.3 Savings behaviour
Sub-dimension 3.1 Confidence and exchange of information

In the past 12 months, what has been the behaviour of savings?

	Dec. 2004	Oct. 2008
a) Amount of savings of village banking	Not available	1,314,184
b) Amount of savings, one year prior	Not available	918.814
c) Rate of variation [(a - b)/b]*100	Not available	43%

0 = Savings went down or there are no records.

1 = Savings went up by not more than 5%.

2 = Savings went up by more than 5%.

Score, year 2004: 0 1 2

Score, year 2008: 0 1 2

Indicator 3.4.a Participation of clients at the level of funded groups
Sub-dimension 3.2 Participation of clients and reinvestment of profits

Do the persons who are funded through group technologies participate in decision-making spheres of the groups funded?

0 = no

1 = yes

2 = yes, with representatives elected by the clients

Score, year 2004: 0 1 2
Score, year 2008: 0 1 2

Indicator 3.4.b Participation at the level of the institution and effectiveness

Sub-dimension 3.2 Participation of clients and reinvestment of profits

Are representatives elected by the clients allowed to participate in decision-making spheres of the institution?

0 = no

1 = yes, but full participation on the part of client representatives has not been achieved

2 = yes, and full participation on the part of client representatives has been achieved

Score, year 2004: 0 1 2

Score, year 2008: 0 1 2

If the answer is other than 0, justify:

Indicator 3.5 Reinvestment in diversification

Sub-dimension 3.2 Participation of clients and reinvestment of profits

Does the institution employ its own profits or income towards the diversification of services?

0 = no

1 = yes, as an occasional measure

2 = yes, as an institutionalized measure

Score, year 2004: 0 1 2

Score, year 2008: 0 1 2

If the answer is other than 0, justify:

Indicator 3.6 Reinvestment in expansion

Sub-dimension 3.2 Participation of clients and reinvestment of profits

Does the institution employ its own profits or income towards the expansion of areas of operation?

0 = no

1 = yes, as an occasional measure

2 = yes, as an institutionalized measure

Score, year 2004: 0 1 2

Score, year 2008: 0 1 2

If the answer is other than 0, justify:

Indicator 3.7 Reduction of interest rates

Sub-dimension 3.2 Participation of clients and reinvestment of profits

Has the institution lowered loan interest rates in the past 2 years?

0 = no

1 = yes

Score, year 2004: 0 1

Score, year 2008: 0 1

If the answer is 1, justify:

Indicator 3.8 Consultation of Municipal Development Plans

Sub-dimension 3.1 Confidence and exchange of information

Is the institution pledged towards and does it participate in the Municipal Development Plans (PDMs) of the municipalities served?

0 = no

1 = There is knowledge of the PDMs and they are taken into consideration in the planning of the institution itself.

2 = The establishment of cooperation links with municipal governments is sought.

Score, year 2004 0 1 2

Score, year 2008 0 1 2

If the answer is other than 0, justify:

Indicator 3.9 Strengthening of the social capital of clients

Sub-dimension 3.3 Empowerment of clients

Do the operations of the institution seek to strengthen the social capital of its clients?

Social capital: the capability of persons to cooperate and act together, employing or creating the social links needed for pursuing common objectives that are sustainable and based on solidarity; it refers not only to the sum of individual capabilities, but also to the collective capital that characterizes the group and allows assuring its cohesion, its continuity, and its actions.

0 = no

1 = yes, but not as an institutionalized measure

2 = yes, as an institutionalized measure

Score, year 2004: 0 1 2

Score, year 2008: 0 1 2

If the answer is other than 0, specify the manner of intervention:

Promotion of "associativity" for access to financial services

Promotion of collective action

- Cooperation aimed at common goals
- Building of relationships with social programmes
- Others (specify)

Indicator 3.10 Strengthening of group leadership and administration skills
Sub-dimension 3.3 Empowerment of clients

Does the institution facilitate the generation of group administration skills and leadership in its clients (through training, promoting the representation of clients, etc.)?

0 = no
1 = yes, but not as an institutionalized measure

2 = yes, as an institutionalized measure

Score, year 2004: 0 1 2

Score, year 2008: 0 1 2

If the answer is other than 0, specify the form of intervention:

- Training in the administration of associations for access to financial services
- Representation of clients in decision-making spheres of the groups funded
- Representation of clients in decision-making spheres of the institution
- Others (specify)

Indicator 3.11 Promotion of client cohesion
Sub-dimension 3.3 Empowerment of clients

Have the actions of the institution and/or the relationships that are built among its clients and between its clients and the local socioeconomic actors allowed solving problems of common interest that go beyond those of financial services?

0 = no
1 = yes, but not as an institutionalized measure

2 = yes, as an institutionalized measure

Score, year 2004: 0 1 2

Score, year 2008: 0 1 2

Specify the problems of common interest:

- Access to public services (health, education, electricity, etc.)
- Access to public goods (natural resources, land for grazing, etc)
- Legal problems
- Security in the community
- Others (specify):

Indicator 3.12 Transmission of client interests
Sub-dimension 3.3 Empowerment of clients

Does the institution seek to transmit the interests of its clients to national or local governments, either directly or through the participation in networks?

0 = no
1 = yes, indirectly through networks or alliances

2 = yes, directly

Score, year 2004: 0 1 2

Score, year 2008: 0 1 2

If the answer is 1 or 2, specify the measures of the institution

- Participation in the local Association of microfinance institutions
- Others (specify):

Dimension 4: Social Responsibility of the Institution
(25 points)

Indicator 4.1 Salary transparency
Sub-dimension 4.1 Social responsibility towards human resources

Is there a defined salary scale for each type of job that is known of by each employee and brought up-to-date regularly?

0 = no

1 = yes

Score, year 2004: 0 1

Score, year 2008: 0 1

Auditor's note: Generally there is knowledge of the salary scale of the same organizational level, but not of other higher organizational levels.

Indicator 4.2 Personnel training plan
Sub-dimension 4.1 Social responsibility towards human resources

Is there an annual personnel training plan that is in line with the different types of jobs?

0 = no

1 = yes

Score, year 2004: 0 1

Score, year 2008: 0 1

Indicator 4.3 Personnel trained

Sub-dimension 4.1 Social responsibility towards human resources

What part of personnel and of the Board of Directors were trained in the last 12 months with resources funded by the institution itself?

	Dec. 2004	Oct. 2008
a) Total number of employees and board members	97	192
b) Employees and board members trained	92	185
c) Proportion (ratio a/b)	95%	96%

0 = not more than 50% of personnel was trained
1 = more than 50% of personnel was trained
Score, year 2004: 0 1
Score, year 2008: 0 1

Indicator 4.4 Participation of personnel in decision-making
Sub-dimension 4.1 Social responsibility towards human resources

May the employees who are not part of the management levels participate in strategic decision-making of the institution?

0 = no
1 = yes, through meetings with management
2 = yes, through a consultation group or through representation in the governance structure

Score, year 2004: 0 1 2
Score, year 2008: 0 1 2

If the answer is other than 0, specify the means:

Representatives of personnel in the Board of Directors
 Others (specify)

Indicator 4.5 Insurance for personnel above the minimum required
Sub-dimension 4.1 Social responsibility towards human resources

Does the institution provide any type of insurance, for all employees, that is beyond the minimum legal outreach stipulated by the laws of the country?

0 = no
1 = yes

Score, year 2004: 0 1
Score, year 2008: 0 1

If the answer is other than 0, specify the insurance:

Life insurance
 Transportation insurance besides SOAT
 Others (specify):

Indicator 4.6 Personnel withdrawal rate
Sub-dimension 4.1 Social responsibility towards human resources

How many employees left the institution in the last year (voluntarily, dismissal, end of contract, etc.)?

	Dec. 2004	Oct. 2008
A Number of employees at the beginning of the period	72	170
B Number of new employees that entered during the year	26	31
C Number of employees at the end of the period	92	181
Withdrawal rate: $(A+B)-C/(A+B)$	6%	10%

0 = more than 15%
1 = less than 15%
2 = less than 5%

Score, year 2004: 0 1 2
Score, year 2008: 0 1 2

Indicator 4.7 Client impact studies
Sub-dimension 4.2 Social responsibility towards clients

Does the institution have studies of the impact of its services on the living conditions of its clients?

0 = no
1 = yes, but the studies are not institutionalized
2 = yes, and the studies are institutionalized

Score, year 2004: 0 1 2
Score, year 2008: 0 1 2

Indicator 4.8 Specific negative impact studies
Sub-dimension 4.2 Social responsibility towards clients

Does the institution realize specific studies for identifying possible negative impacts of its services on clients?

0 = it has not been institutionalized

1 = it is institutionalized

Score, year 2004: 0 1

Score, year 2008: 0 1

If the score is 1, justify:

Indicator 4.9 Preventive measures for over-indebtedness

Sub-dimension 2.1 Social responsibility towards clients

Does the institution apply measures against over-indebtedness of its clients?

0=no

1= yes, occasionally

2= yes, and the measures are institutionalized

Score, year 2004: 0 1 2

Score, year 2008: 0 1 2

If the score is other than 0, justify:

Consultations of the credit bureau for all clients that apply for loans

Others (specify)

Indicator 4.10 Code of conduct towards clients

Sub-dimension 2.1 Social responsibility towards clients

Does the institution explicitly specify norms of conduct of personnel towards clients?

0 = no

1 = yes

Score, year 2004: 0 1

Score, year 2008: 0 1

If there is a code of ethical conduct, specify its principles:

Limiting excessive interest rates

Limiting the pressure for loans above absorption capacity

Assuring the rights of clients in the execution of guarantees

Diaconal service that consists of treatment that is respectful and with dignity towards the clients and their cultural values, based on Christian values

Others (specify):

Auditor's note: The norms of ethical conduct are specified in the organizational principles and values.

Indicator 4.11 Insurance that frees the family from the burden of debt in case of death of the borrower

Sub-dimension 2.1 Social responsibility towards clients

Does the institution provide any type of insurance for debt in case the borrower dies (financed by the client, the institution, or both)?

0 = no

1 = yes, only for most borrowers

2 = yes, for all borrowers

Score, year 2004: 0 1 2

Score, year 2008: 0 1 2

Indicator 4.12 Compatibility with culture and values

Sub-dimension 4.3 Social responsibility towards the community

Does the institution verify whether its actions are in harmony with local culture and values?

0 = The verification is not institutionalized.

1 = The verification is institutionalized.

Score, year 2004: 0 1

Score, year 2008: 0 1

If the score is 1, specify what type of information is collected.

Sociological studies

Anthropological studies

Discussions in the community

Discussions with local authorities

Field personnel information

Others (specify)

Indicator 4.13 Promotion of positive values for the community

Sub-dimension 4.3 Social responsibility towards the community

Does the institution have interventions specifically aimed at promoting values in benefit of the community (gender equity, democracy, the fight against corruption, care for the environment, etc.)?

0 = no

1 = yes

Score at Dec. 2004: 0 1
 Score, year 2008: 0 1
If the score is 1, specify the interventions and values that they affect:
 Activities that harm the environment are not funded.
 Line of credit for organic production (Green Line)
 Others (specify):

Indicator 4.14 Specific financing for generating an impact on the community
Sub-dimension 4.3 Social responsibility towards the community

What percentage of all loans are loans specifically issued for generating an impact in the community (in job creation, in preservation of the environment, etc.)?

	Dec. 2004	Oct. 2008
a) Number of borrowers of loans specifically for generating an impact on the community: loan products for social works and credit for Green Line	196	31
b) Total number of borrowers	13,992	22,046
c) Participation (ratio a/b)	1.4%	0.1%

0 = no more than 5%
 1 = no more than 50%
 2 = more than 50%

Score, year 2004: 0 1 2

Score, year 2008: 0 1 2

Specify the type of impacts that are sought through these loans:

- Job creation impact
 Enterprise creation impact
 Positive impact on the environment
 Impact on the community, loans issued to churches and social entities
 Others (specify)

Indicator 4.15 Community investment
Sub-dimension 4.3 Social responsibility towards the community

What part of own profits / income are contributed for community social projects (schools, hospitals, etc.)?

	Dec. 2004	Oct. 2008
a) Amount of profit contributed	50,000	50,000
b) Amount of annual profit	2,728,000	5,530,761
Participation (ratio a/b)	2%	0,9%

0 = 0%
 1 = not more than 5% of annual profit
 2 = more than 5% of annual profit
 Score, year 2004: 0 1 2
 Score, year 2008: 0 1 2

Indicator 4.16 Crossed subsidies between products and/or branches

Sub-dimension 4.3 Social responsibility towards the community

Does the institution have crossed subsidy and/or solidarity policies between branches (in new branches, in branches that operate in difficult environments, etc.)?

0 = no
 1 = yes, to some degree, although with informal means
 2 = yes, through a formal strategy

Score, year 2004: 0 1 2

Score, year 2008: 0 1 2

Indicator 4.17 Funds for contingencies
Sub-dimension 4.3 Social responsibility towards the community

Does the institution have a fund for contingencies with the objective of financially supporting the communities when they are affected by natural disasters?

0 = they do not exist
 1 = they do exist

Score, year 2004: 0 1

Score, year 2008: 0 1

If the answer is 1, justify:

QUESTIONNAIRE ANNEX

DETERMINATION OF BRANCH DISPERSION						
QUESTION 2.8						
Agencies and branches		Department	Municipality	Number of borrowers		Distance from the office to the nearest department capital city (in hours of travel by automobile)
				Cut-off date: October 2008	Baseline	
1	Batallas	La Paz	Batallas	774	0	0
2	Buenos Aires	La Paz	La Paz	2120	0	0
3	Caquiaviri	La Paz	Caquiaviri	689	532	2
4	Caranavi	La Paz	Caranavi	528	468	5
5	Cascada	La Paz	El Alto	3623	0	0
6	Chasquipampa	La Paz	La Paz	2832	0	0
7	Chulumani	La Paz	Chulumani	389	0	0
8	Cochabamba	Cochabamba	Cochabamba	1038	0	0
9	Estrellas de Belén	La Paz	El Alto	1401	0	0
10	Franco Valle	La Paz	El Alto	3873	3507	0.5
11	Guaqui	La Paz	Guaqui	455	0	0
12	Huayna Potosí	La Paz	El Alto	1702	0	0
13	Ixiamas	La Paz	Ixiamas	51	0	0
14	Juan Pablo II	La Paz	El Alto	2824	3263	0.5
15	Mercado Bolívar	Oruro	Oruro	1058	0	0
16	Palos Blancos	La Paz	Palos Blancos	621	449	9
17	Puerto Pérez	La Paz	Puerto Pérez	203	0	1
18	Río Seco	La Paz	El Alto	3198	2598	0.5
19	San Borja	Beni	San Borja	608	0	11
20	San Buenaventura	La Paz	San Buenaventura	245	0	13
21	Santa Rosa	La Paz	El Alto	1069	0	0.5
22	Senkata	La Paz	El Alto	3553	0	0.75
23	Tiahuanacu	La Paz	Tiahuanacu	140	0	1
24	Viacha	La Paz	Viacha	307	0	0.75
25	Villa Bolívar	La Paz	El Alto	2350	2254	0.5
26	Villa Copacabana	La Paz	La Paz	1646	0	0
27	Villa Fátima	La Paz	La Paz	1953	0	0
28	Yucumu	Beni	San Borja	425	0	11
29	Sucre	Chuquisaca	Chuquisaca	1	0	0
30	Franco Valle (village bank)	La Paz	El Alto	0	8305	0,5
Average distance:						
In Dec. 2004: 2.3 hours						
In Oct. 2008: 2.8 hours						

DETERMINATION OF OUTREACH IN POOR, RURAL AND NEGLECTED AREAS											
QUESTIONS 1.10,1.11, and 1.12											
	Offices	Municipality	Poor Areas					Rural Area	Financial Excluded Area	Borrowers	
			Level 1 (17%- 59.9%)	Level 2 (60%- 84.9%)	Level 3 (85%- 94.9%)	Level 4 (95%- 97.9%)	Level 5 (98%- 100%)			Dec. 2004	Oct. 2008
1	Batallas	Batallas				X				0	774
2	Buenos Aires	La Paz	X							0	2120
3	Caquiaviri	Caquiaviri				X				532	689
4	Caranavi	Caranavi			X					468	528
5	Cascada	El Alto		X						0	3623
6	Chasquipampa	La Paz	X							0	2832
7	Chulumani	Chulumani		X						0	389
8	Cochabamba	Cochabamba	X							0	1038
9	Estrellas de Belén	El Alto		X						0	1401
10	Franco Valle	El Alto		X						3507	3873
11	Guaqui	Guaqui			X					0	455
12	Huayna Potosí	El Alto		X						0	1702
13	Ixiamas	Ixiamas			X					0	51
14	Juan Pablo II	El Alto		X						3263	2824
15	Mercado Bolívar	Oruro	X							0	1058
16	Palos Blancos	Palos Blancos			X					449	621
17	Puerto Pérez	Puerto Pérez					X			0	203
18	Río Seco	El Alto		X						2598	3198
19	San Borja	San Borja			X					0	608
20	San Buenaventura	San Buenaventura			x					0	245
21	Santa Rosa	El Alto		X						0	1069
22	Senkata	El Alto		X						0	3553
23	Tiahuanacu	Tiahuanacu				X				0	140
24	Viacha	Viacha		X						0	307
25	Villa Bolívar	El Alto		X						2254	2350
26	Villa Copacabana	La Paz	x							0	1646
27	Villa Fátima	La Paz	x							0	1953
28	Yucumu	San Borja			X					0	425
29	Sucre	Sucre	x							0	1
30	Franco Valle (village bank)	El Alto		X						8305	0
Borrowers in municipalities with degree of poverty from 2 to 5 In Dec. 2004: 21,376 In Oct. 2008: 29,028			Borrowers in rural municipalities In Dec. 2004: 1,449 In Oct. 2008: 5,435				Number of agencies in financial excluded municipalities In Dec. 2004: 0 In Oct. 2008: 3				