

Project Evaluation

Cerise+SPTF's inclusive and responsible finance projects

Country: **Multicountry**

Sector: **SYF**

Evaluator: HORUS Development Finance

Coordinator of the evaluation: Antoine MICHEL

Validation date of evaluation report: 18/11/2025

Project number: CZZ 2244 & CZZ 3352

Contracting authority: Social Performance Task Force

Amount: 2 million euros & 1.5 million euros as grant

Disbursement rate: 100%

Commitment date: 07/02/2018

Completion date: 11/06/2024

Project objectives

The first project's objective was to support the Social Performance Task Force (SPTF) to promote responsible practices of financial inclusion actors, particularly in sub-Saharan Africa. The second project aimed at supporting national regulators in developing responsible public policies that promote the protection and voice of customers in the area of financial inclusion.

Conclusions of the evaluation

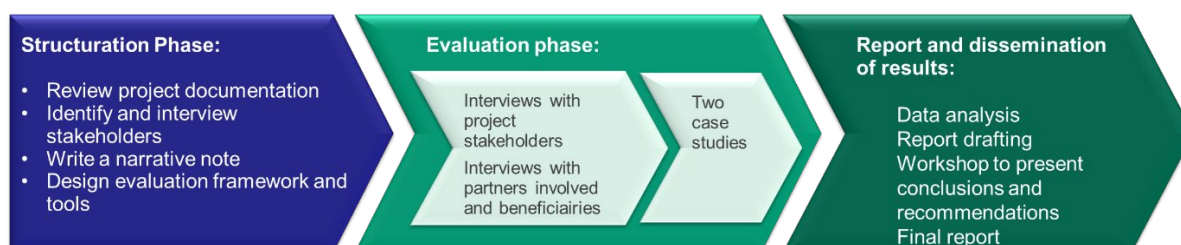
1. The project-level evaluations demonstrated that, with limited amounts of grant, Cerise+SPTF achieved significant outreach and had a clear positive impact on the financial sector as a whole.
2. Both projects show the same weaknesses in terms of monitoring processes, although their respective levels of achievement are eventually very satisfying.
3. Cerise+SPTF's operating methods, based on collaboration and co-creation, are likely to ensure a high level of durability of the two projects' results.
4. Cerise+SPTF's offer is relevant and brings significant added value to the responsible finance sector. Further grant support is required to continue scaling activities and adapting to new end-beneficiaries' needs.
5. The evolution of Cerise+SPTF's strategy towards MSA is relevant to reach more end-beneficiaries and perfectly fits with AFD's strategy regarding the support to the development of financial systems. The modalities upon which the approach will be implemented on a large scale still need to be fine-tuned.
6. Cerise+SPTF laid the foundations for the promotion of responsible finance at scale. Strengthening of partnerships and of the SEPM Pro network appear as key levers to reach large-scale positive effects on the financial inclusion sector.
7. Cerise+SPTF's positioning and added value within the financial inclusion sector are recognized by all players. Its collaborative approach limits overlap with other sectoral players, although enhanced complementarities can be sought through increased collaboration.

8. AFD had a clear added value in the development of Cerise+SPTF's activities over the years through its continuous financing support and the leverage effects of these funds to mobilize additional resources. In return, Cerise+SPTF is a central partner for AFD in the implementation of its responsible finance strategy. The positioning of the AFD Group as Cerise+SPTF's long-term partner and the collaboration between AFD and Cerise+SPTF at various levels clearly created synergies to the benefit of responsible finance at global level.

Rationale, objectives and methodology of the evaluation

The consultants implemented a phased approach including two case studies in Rwanda and Cambodia. The evaluative approach relies on the decomposition of evaluation questions into sub-questions reflecting steps of reasoning, for the analysis to follow causal-effects chains and targeting areas of high interest (e.g. expected to play a determinant role in the causal effect chains).

Figure 1 - Evaluation steps



The opinions of all stakeholders were taken into account through a participatory approach: AFD, SPTF, Cerise, other key support players, impact investors, regulators, FSPs, TA providers, etc. were consulted through one-to-one interviews. Beyond several discussions with SPTF and AFD all along the evaluation process, HORUS held a final workshop to fine-tune recommendations. A mixed method was adopted combining secondary data collected through documentary reviews and primary data collected through individual interviews (both remote and on-site during the case studies), focus groups and a questionnaire survey.

The questionnaire was shared with the entire SPTF database and gathered 179 responses. A typology of the respondents is presented in the graphs below. FSPs are slightly underrepresented within the sample of respondents (43,6% vs 53,0% in the total database) and consultants are over-represented (26,3% vs 6,7%). In terms of geography, Sub-Saharan Africa tends to be over-represented (34,1% vs 24,6%), whereas Latin America is under-represented (16,8% vs 25,7%). One can notice that, in terms of understanding and use of the tools, qualitative feedback from the case studies is slightly more contrasted than what appears in the survey results. Results from the survey are qualitative. They should be taken cautiously and triangulated with other sources.

Figure 2 - Origin of Questionnaire respondents

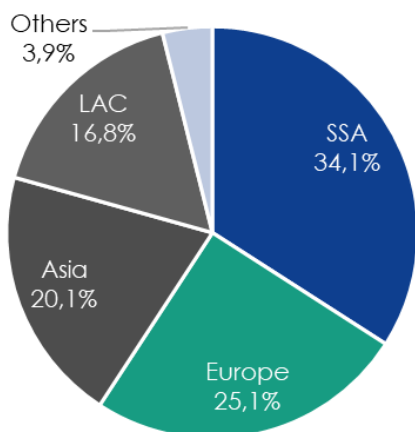
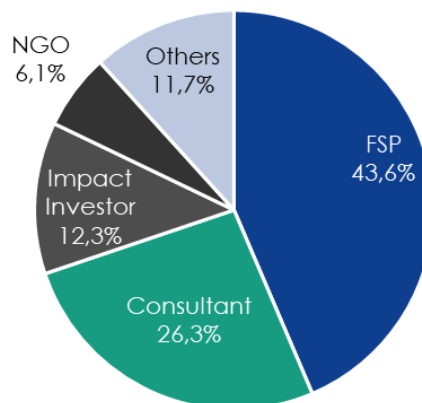


Figure 3 - Typology of Questionnaire respondents



The Consultant was confronted with a few limitations during the evaluation process. First of all, the long timespan over which both projects evaluated took place created some challenges in gathering information from the multiple AFD staff that were successively involved in the projects' management and administration. Secondly, the absence of a dedicated project steering committee and specific project achievement reports complexified the work of evaluators. Thirdly, the fact that AFD's grant financed only a part of the activities foreseen in the framework of Cerise+SPTF's business plan and that indicators followed by SPTF are not always consistent with "impact indicators" from AFD's logical frameworks also challenged the evaluation process. Finally, Level 1 questions address Cerise+SPTF's positioning and expansion strategy: these are very broad questions and would ideally have required a full review of all Cerise+SPTF's activities and strategic documents. Although efforts were made to integrate key documents into the analysis, such as Cerise+SPTF's joint business plan or Cerise+SPTF's 10 years' strategic plan, it was not possible, considering the framework of the evaluation, to review Cerise+SPTF's strategy in a comprehensive manner. Henceforth, answers to Q1, Q2 and Q3 are mainly based on the elements collected during Project 1 and 2 evaluations.

Overall, the methodology was followed as planned.

Initial project logic and actual implementation

The intervention logic and synthesis of the results

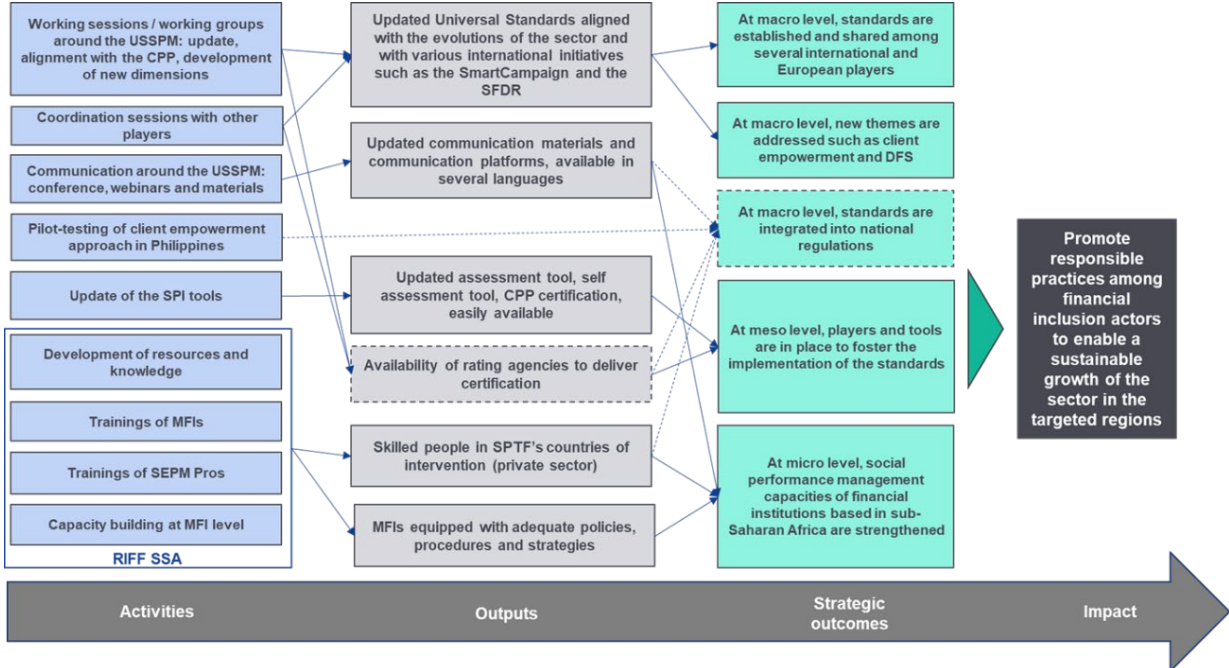
Objectives and means to achieve them were detailed in logical frameworks and are presented in the reconstructed logics of intervention below. The logical frameworks of both projects did not list specific activities. They proposed quite precise quantitative and qualitative follow-up indicators, some of them being output-related indicators. However, no clear targets were associated with these indicators.

CZZ-2244 is the continuation of a previous AFD project CZZ-1965. The overall project CZZ-2244's goal was to *promote responsible practices among financial inclusion actors to enable sustainable growth of the sector in the targeted regions.*

The main challenge was to reconstruct the logic of intervention at macro level, as meso and micro levels were more clearly framed. Firstly, as the Smart Campaign came to an end, two indicators from the logical framework were not relevant anymore. Secondly, the strategy of SPTF regarding certification shifted from 'being directly involved in the certification' to 'only

proposing a general framework for certification'. Thirdly, an indicator was related to the integration of the Client Protection Pathway (CPP) and Norms into national financial inclusion strategies of countries concerned by the Project. It appears that what was to become later known as SPTF's Market System Approach (MSA) was still at a very preliminary stage at the end of the project CZZ-2244 and didn't specifically target African countries. These gaps between the initial logical framework and the reconstructed logic of intervention are highlighted by dotted lines in the figure below.

Figure 4 - Reconstructed logic of intervention Project CZZ-2244



Indicators and their level of achievement are summarized in the table below.

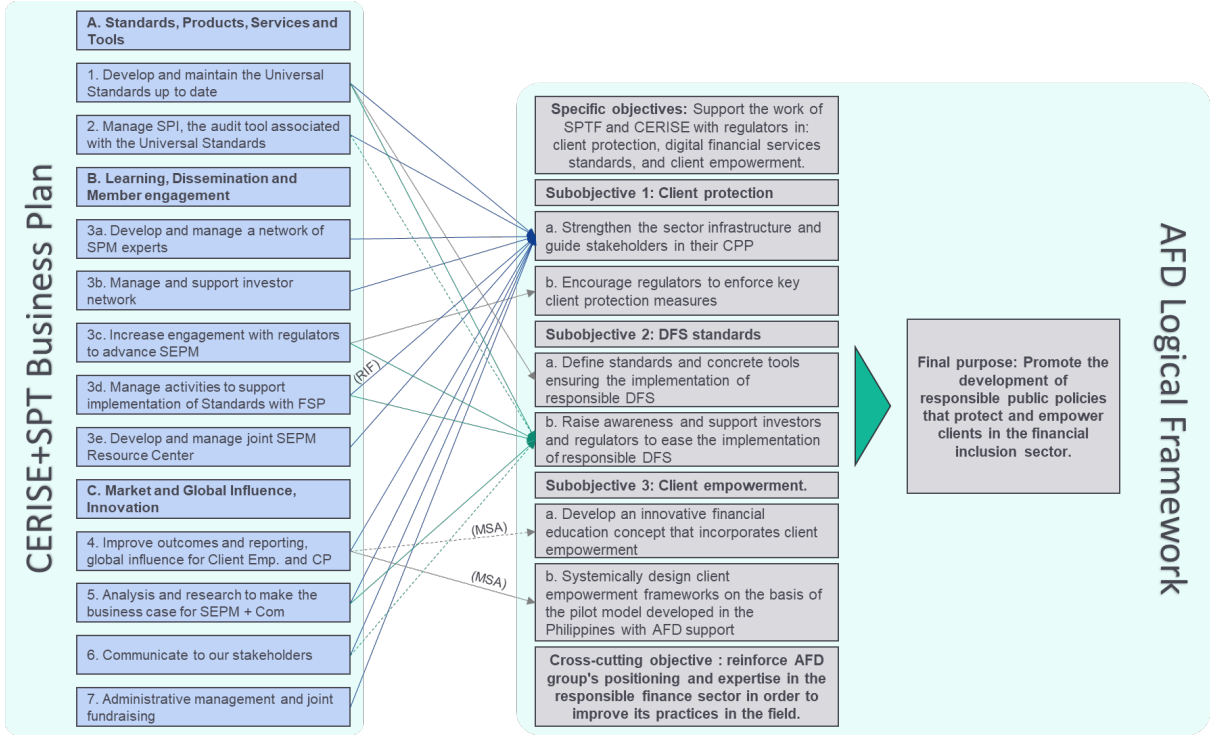
Table 1.1: Project CZZ 3352 results indicators

Indicator	Target at the appraisal	Value after project
Growth of the number of clients from regulated MFIs in the project's geographies.	NC	Not documented
Control or reduction in the portfolio at risk of regulated MFIs in the project regions	NC	Not documented
In countries where a credit bureau exists or will exist over the course of the project, reduction in the level of cross-indebtedness/over-indebtedness	NC	Not documented
Number of Smart Campaign members (classification by actors)	NC	Smart Campaign cancelled
Number of institutions certified by the Smart Campaign	NC	Smart Campaign cancelled
Number of stakeholders consulted on the revision of the Universal Standards and their indicators	NC	Not documented but significant

Integration of Client Protection Principles and the Universal Standards in the financial inclusion strategies of targeted countries	NC	The project's activities did not specifically target public bodies but had indirect effects
Launch of the Data Platform	Platform launch	Cancelled
Update of SPI4	SPI4 update completion	Successful update to SPI5
Number of MFI employees (including the number of women) benefitting from introductory or awareness training programs	NC	Not available
Number of introductory or awareness training programs (Smart Assessment or SPI-4)	NC	42 trainings organized
Number of MFIs benefitting from an introductory or awareness training programs	NC	<ul style="list-style-type: none"> • 9 MFIs • 7 microfinance associations, 1 training center, 1 regulator
Number of MFIs benefitting from technical assistance	NC	114 institutions (146 projects in total)
Number of MFIs certified by the "Smart Campaign"	NC	Smart Campaign cancelled
Number of MFIs benefitting from a social rating	NC	31 (social audit : 29, smart certification: 1, combo social audit + smart certification : 1)

Project CZZ-3352's perspective was to support Cerise+SPTF's business plan for the upcoming period. The project CZZ-3352 was set up in continuation to project No.1 (CZZ-2244). This 2.5-year project (June 2022-December 2024) was intended to *promote the development of responsible public policies that protect and empower clients in the financial inclusion sector*. The intervention logics is summarized in the figure below.

Figure 5 - Reconstructed logic of intervention Project CZZ-3352



Remarks about Figure 5:

- ▶ Arrows bear different colors to ensure readability of the figure: as most of CERISE+SPTF's business plan items were handled under AFD's subobjective 1.a and AFD's subobjective 2.b, all arrows pointing at the former are blue and those pointing at the latter are green. All other arrows are grey.
- ▶ Dashed arrows materialize a partial relation between two blocks, e.g. block 6 of CERISE+SPTF's business plan is only partially handled under AFD's subobjective 2.b.

Indicators and their level of achievement are summarized in the table below.

Table 1.2: Project CZZ 3352 results indicators

Indicator	Target at the appraisal (Targets 3 years 2022-2024)	Value after project
Practical Implementation materials help FSPs, investors, and regulators operationalize and improve client protection practices	Published Universal Standards manual with Client Protection standards module in three languages (already tested, approved, and published)	Fully achieved
Published Universal Standards manual with DFS standards module in three languages	Published Universal Standards manual with DFS standards module in three languages	Fully achieved
Number of webinars for public comment on draft DFS	15 webinars for public comment on draft DFS Standards	Fully achieved
Pilot testing	Full day working group session at SPTF 2022 annual meeting for input to launch beta testing	Fully achieved

	Beta testing with a minimum of ten FSPs representing different regions and methodologies	Fully achieved
	Report summarizing input from beta testing in field	Fully achieved
DFS - Practical Implementation materials and tools help FSPs operationalize broadly accepted high level principles of RFF, IFC, UNCDF, BTCA. CP - Practical Implementation materials and tools help FSPs, investors, and regulators operationalize and improve client protection practices	Training materials developed for in person and e-learning – created for different stakeholder audiences – SPM experts, FSPs, regulators	Fully achieved
	CP Implementation series conducted in three languages to address hardest to achieve standards in client protection	Fully achieved
	Trainings conducted for each stakeholder group	Fully achieved
Implementation materials developed for each category of CP standards	<i>No specific target defined</i>	Fully achieved
Implementation materials developed for each category of DFS standards	<i>No specific target defined</i>	Fully achieved
Customer Empowerment: - Well functioning market system approach in 5 countries working with multiple stakeholders - FSPs, investors, regulators, national associations, consumer associations - to elevate the voice, choice, control, and respect of low-income customers.	5 webinars to highlight customer empowerment market systems approach and learnings from two pilot programs in the Philippines and Cambodia	Partially achieved <i>Five Customer Empowerment projects underway in four countries - Uganda, Cambodia instead of projected 5 countries.</i>
	Full day working sessions at regional meetings in Central America, West Africa, and Southeast Asia in 2023 to inspire 3 more countries	<i>Roll out to 2 new countries is expected in 2025</i>
	Publish tools, learning materials, case studies in three languages to build out implementation materials countries to pilot customer empowerment programs	<i>Training in the form of e-learning has not been produced.</i>
	Training materials developed for in person and e-learning – created for different stakeholder audiences – SPM experts, FSPs, national associations, regulators	<i>Webinars to highlight Cambodia and Philippines results did not take place. In person workshops in Asia, Europe, and Africa instead.</i>
	Trainings conducted for each stakeholder group	
	Communicate experience of adoption	
CP	Maintaining harmonization of the CP framework with certifying bodies – reviewing their eligibility and performance	Fully achieved

CP	Activate market system approach in 5 countries by working with multiple stakeholders – FSPs, investors, regulators, national associations, and low-income customers	Fully achieved
DFS	<ul style="list-style-type: none"> • Develop case studies and communicate experience of adoption 	Fully achieved

Operating scheme and stakeholders

For project CZZ 2244, AFD's grant contribution was disbursed to SPTF in a special account opened in the name of the Project. Coordination and management of AFD's grant were managed by SPTF's deputy director. Funds were disbursed to SPTF in the form of revolving advances with annual audits of the Project's account. Subcontracts were signed between SPTF and (i) Accion International for the activities to be conducted by the Smart Campaign and (ii) Cerise, for the development and update of the SPI4.

The RIFF-SSA's activities were framed by an operating manual that was developed under CZZ-1965.

In the project's concept note, bi-annual reports were planned for project monitoring purposes. However, AFD and SPTF agreed that these reports could be replaced by RIFF-SSA's Steering Committee Minutes, also because AFD was sitting as board member within SPTF's board of directors. It is worth noting that AFD's contribution to RIFF-SSA was limited to 20.5% of the total AFD's contribution of 2 million EUR.

Similarly to CZZ-2244, **project CZZ-3352-01**'s grant contribution was disbursed to SPTF in a special account opened in the name of the Project. Coordination and management of AFD's grant were assumed by SPTF's deputy Director. Funds were disbursed to SPTF in the form of revolving advances with annual audits of the Project's account. Contracts were signed between SPTF and Cerise.

In the project's concept note, bi-annual steering committee meetings were planned for project monitoring purposes. However, AFD and SPTF agreed that this committee did not need to take place, mostly because AFD was sitting as board member at the board of directors of SPTF.

Projects process and evolution of the context

Project CZZ-2244 was conducted between July 2018 and December 2021. The COVID pandemic created a very challenging situation, but the project was implemented with no significant changes thanks to important efforts deployed by the team to stick to the initial plan. When AFD validated the financing, SPTF already secured almost all the additional budget required by its financing plan, from SDC, the Government of Luxembourg (LuxAid), IEB and by its membership fees. A grant request to CDC Group (now BII), equivalent to 6% of the project's budget, was formulated leaving an additional 6% of the budget to be financed from other sources.

Between 2018 and 2022, key achievements included the successful update and release of the Universal Standards for Social and Environmental Performance Management (USSEPM 3.0), with strengthened focus on client protection, responsible HR, and environmental performance.

While only one major conference took place due to the pandemic, SPTF compensated with extensive webinars, new communication tools, and the hiring of a Communication Manager. Several working groups were launched or strengthened, addressing customer empowerment, digital finance, client outcomes, social investors, and HR practices. At the meso level, Cerise updated its SPI tool and guides, while at the micro level, 188 RIFF-SSA grants supported FSPs through fully funded trainings, co-financed capacity building, and the development of new resources, including tools, surveys, and translated materials.

Between 2018 and 2021, the COVID-19 pandemic was the main contextual change, disrupting the financial sector and its most vulnerable actors. SPTF adapted its working approach quickly by creating a COVID-19 Client Interview Tool, conducted webinars, and converted its cancelled Yangon conference into training materials later used locally. Despite some down-scaling, RIFF-SSA activities were maintained.

Another major shift came from the closure of the Smart Campaign in 2020, after which Cerise and SPTF took over its work, integrating client protection standards into their tools without additional funding. The period also saw rapid growth of digital finance, particularly in Sub-Saharan Africa, accompanied by increased risks such as digital fraud, which fueled investors' demand for stronger responsible digital finance practices. Meanwhile, AFD restructured its financial inclusion activities, with AFD focusing more on macro and meso levels and Proparco on other areas.

For project CZZ 3352, from mid-2022 to 2024, the project achieved 83% of its KPIs, with major progress on client protection through the integration of Smart Campaign standards, creation of the CP Pathway, new governance standards, updated tools, training, and e-learning in five languages, building a global network of 173 SEPM professionals and engaging regulators in eight countries. It also delivered new global standards for responsible digital finance, supported by tools, guides, and expert input from over 50 stakeholders. Finally, pilot initiatives in the Philippines, Cambodia, and Nigeria advanced client empowerment, leading to the design of a global pathway to strengthen customer voice across the sector.

The project began in 2022, after the sector had largely recovered from COVID-19, with FSPs increasingly recognizing client-centric services as key to risk management. It also followed the 2021 MoU between CERISE and SPTF, marking their commitment to a unified strategy and business plan.

Table 2: Respective budgets of the two projects

Section	Overall project amount	AFD contribution	
		Planned	Implemented
CZZ-2244 Promotion of responsible practices of financial inclusion stakeholders	5.300 M €	2.1 M €	100%
CZZ-3352 Promoting responsible finance among regulators and financial institutions	8.424 M €	1.5 M €	100%

Results of the evaluation

NB: Level 2 (projects' level) is presented before level 1 as level 1 assessment mainly derives from level 2 assessment.

Level 2: Evaluation of the two projects supported by AFD

CZZ-2244 - EQ4: To what extent has it been possible to attain all the planned results of Project 1 in an economic and timely manner? If not, what were the difficulties encountered?

The expected results of the project were clearly defined and associated with relevant impact indicators, even though these indicators were not always linked to quantified targets. Besides, AFD's monitoring was not documented with regular project reports. This complexified the evaluation of project's achievements with regard to the planned results, especially when it comes to the macro level.

Activities at macro level successfully led to an update of the USSEPM, even if some FSPs, especially those with limited capacities, would require more support to ensure complete adoption of these standards. The update process largely relied on the Social Investors' working group (SIWG), which showed a strong degree of engagement. The organization of SPTF's initiatives, under the form of dynamic working groups ensured collaboration and cost efficiency. The dissemination of the standards was satisfying despite the COVID-19 pandemic. Compared to the initial framework, SPTF had to adapt to the end of the Smart Campaign. Under the impulsion of the SIWG, SPTF successfully developed the Client Protection Pathway. All the interviewed partners recognize the relevance of the CPP as developed by SPTF and value the fact that the USSEPM and the Smart Campaign are now fully integrated. At meso level, the SPI tool was successfully updated. Similarly to the dissemination of the updated USSEPM, on-site interviews with microfinance institutions in Rwanda show that efforts remain to be made to ensure the full adoption of the updated tool by all the FSPs and especially the ones that have not enough capacities to really identify and train an in-house "SPI Champion". At micro level, the RIFF-SSA successfully disbursed AFD's grant to undertake activities planned by the project documentation. A rebalancing between the various sub-components was done. All indicators of the logical framework were successfully addressed.

Results of the project, at both macro and meso levels, show a great leverage effect on the grant resource dedicated to these components. Indeed, interviews and levels of attendance to the various working groups and dissemination events show that with limited amounts of grants, SPTF managed to reach a significant number of impact investors, FSPs and, indirectly, end-beneficiaries. In particular, SPTF's initiatives gathered several major social investors. At micro level, the RIFF-SSA offers training and direct support to FSPs. As such, the outreach could appear more limited. However, we are fully convinced that having internal financing facilities is key for Cerise+SPTF to successfully turn their standards and tools into concrete applications in the field. The case study in Rwanda confirms this perception, as support provided by the RIFF-SSA to selected FSPs appears to have had a positive impact at sectorial level (see (7) below). NB: In total, 8 FSPs received a total of 21 supports in Rwanda between 2014 and 2024. Besides, the facilities are also very useful to train SEPM Pros and provide them with concrete business opportunities. As such, they are key to the strengthening of the SEPM Pro network which was identified as a key pillar of Cerise+SPTF's expansion (see Q2). However, the limited size of the facility, the limited ticket sizes of co-financed projects, and the attention paid to the quality of each request can question the economic model of the facility. Besides, a few partners underlined that it could be interesting to further evaluate the results and impact of the various

supports provided by the RIFF to validate the relevance of the approach and the sustainability of the achieved results.

There were only a few deviations from the project's expected results relating to the end of the Smart Campaign and the COVID-19 pandemic. This led SPTF to adapt its approach in the course of the project, which was successfully done, but may have delayed some of the planned activities.

Indicators associated with the general objective appear quite ambitious, assuming that direct support to FSPs triggers effects at sectorial level. However, the case study in Rwanda shows a strong perceived relation between the RIFF-SSA's interventions and improved operational performance, as well as a clear indirect influence of SPTF's trainings on the use of the Credit Bureau. These are very encouraging results.

CZZ-2244 - EQ5: Did the targeted results and related activities of Project 1 respond to beneficiaries, country, and partner/institution needs, policies, and priorities, and to AFD strategic objectives? Will the results continue to benefit them in the long run and after the Cerise+SPTF intervention?

According to the one-to-one interviews and to the survey, activities conducted during Project CZZ-2244 responded well to the needs, policies and priorities of FSPs and impact investors. This perfect fit is facilitated by SPTF's participatory approach and by the demand-driven operating principle of the RIFF-SSA. Based on the results from the case study (focus group with end-beneficiaries), we can reasonably say that activities conducted during the project also answered well the needs and realities of end-beneficiaries. SPTF demonstrated its capacity to adapt to evolutions of the context.

Even though one of the macro-objectives of the project directly targeted financial inclusion strategies, the project's activities did not specifically target public bodies. The case study shows, however that SPTF managed to meet the needs of the National Bank of Rwanda. For instance, when implementing regulations on MFIs to strengthen the sector's resilience and increase customer protection, NBR recommended to MFIs to visit institutions who benefited from the RIFF to observe and duplicate their processes as they were already compliant with the newly implemented regulations.

As per the project documentation as well as the AFD's Financial System CIS, the targeted results were fully aligned with AFD's expectations.

Finally, the results of the Project are likely to continue to benefit its beneficiaries in the long run after the end of Cerise+SPTF's intervention, as the Universal Standards and the associated tools were generally integrated into the FSPs' and impact investors' policies and procedures. There is, however, a need for refresher training and capacity building, especially for smaller FSPs.

CZZ-3352 - EQ4: To what extent has it been possible to attain all the planned results of Projects 1 in an economic and timely manner? If not, what were the difficulties encountered?

Project CZZ-3352's specific objectives were to support the work of SPTF and CERISE with regulators in the areas of client protection, digital financial services (DFS) standards, and client

empowerment. All planned results of project CZZ-3352 were defined in total congruence with SPTF's business plan.

Despite the absence of project steering committee meetings and implementation report, it can be observed that most actions initially planned were carried out in line with the objectives and forecasted results of the project. Only one indicator can be considered as partially achieved: KPI n°8, that is related to the implementation of the Market System Approach (MSA): only 4 countries were reached instead of five. However, the discrepancy between the target and the achievement can be considered as minimal and in the process of being filled before the end of the first semester of 2025, as MSA activities have started in Lao. The accreditation of client protection certifying bodies is the only activity of importance that was eventually stopped upon decision of the Board of Directors of SPTF.

Despite the very small number of activities that were not carried out, always for justified reasons, the project was completed in the timeframe imparted to its implementation. Several factors also demonstrate that it was conducted efficiently from a financial point of view: for example, the end of the accreditation process for certifying agencies, was decided on technical grounds (the impossibility to have these agencies respect the process in a satisfactory manner) but also on financial grounds, after Cerise+SPTF refused to consume the whole of the 60,000 USD budget allocated to this activity just following up on them and policing them. Lastly, an important element of financial efficiency resides in the fact that a large proportion of achievements of the project can be capitalized and reutilized in other endeavors (see for example replicability of the MSA from one country to another, existence of tools and accumulation of know-how from Cambodia to Lao and other countries, etc.)

CZZ-3352 - EQ5: Did the targeted results and related activities of Project 1 respond to beneficiaries, country, and partner/institution needs, policies, and priorities, and to AFD strategic objectives? Will the results continue to benefit them in the long run and after the Cerise+SPTF intervention?

Cerise+SPTF's institutional focus is on responsible finance and all related domains, especially client protection. End beneficiaries, i.e., clients of FSPs, are therefore the ultimate target of the project. The Cambodian case study and especially the analysis of the Safe Finance project or the Ratanakiri project show Cerise+SPTF's direct involvement with local communities trying to find solutions to their most pressing issues related to over indebtedness. The concept of Market System Approach (MSA) per se was precisely defined to ensure it could identify and engage the right stakeholders to create the conditions under which the rightful end-beneficiaries of the project (clients of FSPs) will receive services governed by the principles of responsible finance.

SPTF has neither regulatory nor financial leverage to force financial inclusion stakeholders to work with them. The only leverage it has is limited to its capacity to develop meaningful working relationships with like-minded financial inclusion stakeholders and to develop with them (and for them) adapted solutions to concrete problems encountered in their local context. The development of the DFS standards is another example of activity undertaken by Cerise+SPTF under the impulsion of its partners and that is beneficial to FSPs clients.

The nature of the relations with local stakeholders and conjectural situation command SPTF to deploy its MSA approach very differently from one country to another. Even if MSA generally

refers to an approach deployed along a certain number of standards, this also makes it an approach that is carefully tailored to the context it is rolled out in. For example, in Cambodia, the Ratanakiri project was focusing on helping overindebted end-beneficiaries in their negotiation with the FSPs whereas the Aral project in Philippines focuses on financial education.

AFD has supported the development of microfinance as early as the 1980's. Initially focused on directly supporting institutions, it has gradually made its support evolve towards the structuration of the sector in various countries, by focusing its attention on the setup of conducive legal and regulatory frameworks and the definition of public sector strategies. The project CZZ-3352 is therefore totally in line with this current strategy of AFD, rooted in the historical line of intervention of the agency.

It is likely that activities implemented in the framework of CZZ-3352 will continue to be beneficial to stakeholders in the future, as they pertain to approaches and processes that are owned by the beneficiaries for the most part. This is for instance the case of client empowerment projects in the Philippines and in Cambodia (Aral Plus project, that encompassed, among other things, the development of a web platform still up and live today and Safe Finance project), this also the case with the work done in Cambodia in the area of self-regulation (harmonization of the Code of Conduct, definition of a standard loan agreement, etc.)

Level 1: Cerise+SPTF positioning

EQ 1 - Are Cerise+SPTF positioning and strategy relevant taking into account the needs of the sector and its main stakeholders, including Cerise+SPTF beneficiaries (namely regulators, practitioners, impact investors and core donors)?

Cerise+SPTF's vision is that "institutions and financial systems, all over the world, put the best interests of people and the planet at the center of every decision" ¹. The organization therefore identifies clients of FSPs and the planet as their ultimate beneficiaries. Owing to this posture, the place occupied by Cerise+SPTF in the landscape of financial inclusion is unique. As a consortium of NGOs, it enjoys a level of independence of action that few other stakeholders have, enabling the organization to develop and sustain a rich and impartial dialog with all and come up with unique concepts and tools. Cerise+SPTF owes to this set-up its capacity to avail its value proposition to the sector. All interviewees recognized a clear effort from Cerise+SPTF to address the diverse needs of MFIs, impact investors, regulators, and FSPs.

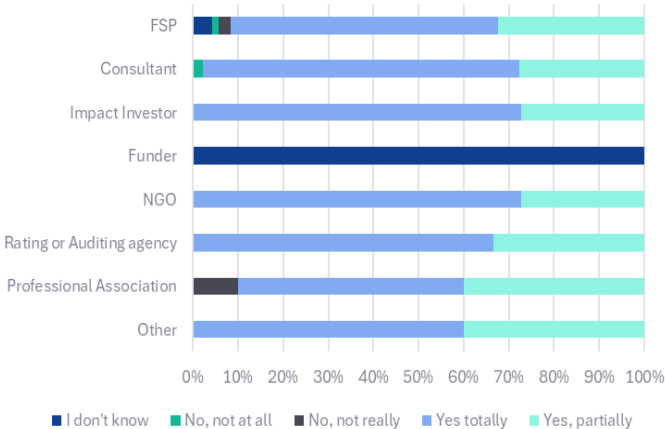
Cerise+SPTF has always strived to stay abreast of the needs of its target beneficiaries, as demonstrated by the recurrent evolution and enrichment of its value proposition. For example, under the course of the two evaluated projects, the following innovations were introduced: integration of the environmental dimension into the Universal Standards, client protection pathway, digital financial services' standards. Cerise+SPTF has also undertaken a very important work in September 2024, consisting in building a value proposition matrix outlining the tools and solutions at hand for each stakeholder (divided in 6 categories: Financial Service Providers, Associations, Investors and DFI, Regulators and Policy Makers, Customers, SEPM Professionals). In parallel, Cerise+SPTF has always deployed important efforts to have geographical coverage reflecting the footprint of its end-beneficiaries: the analysis of the countries of origin of the respondents to the survey demonstrates the presence of the

¹ CERISE+SPTF (2025), Mission and vision, Cerise-sptf.org, <https://cerise-sptf.org/mission-vision/>

organization in all parts of the world: more than 60 countries are covered, on all 5 continents, representing small and large economies, landlock countries and islands alike, belonging to the developed or developing economies all the same.

The level of satisfaction on Cerise+SPTF's offer is globally high, showing that Cerise+SPTF manages to meet the needs of various stakeholders. This should however be nuanced depending on the target segment. In particular, interviews with FSPs in Rwanda and, to a lesser extent in Cambodia, tend to show that the actual adoption and effectiveness of the tools and standards is largely determined by whether the initiative leads to tangible financial benefits (esp. fund raising) or helps meet regulatory requirements for FSPs.

Figure 6 - Fit between Cerise+SPTF's offer and stakeholders' needs (all respondents, 170)



EQ 2 - What is the likelihood that Cerise+SPTF strategy and operations (supported by AFD) will have large-scale positive effects on the financial inclusion sector? What could be such effects, whether expected or unintended? Are any negative impacts observed or anticipated?

It is difficult to appreciate quantitatively the global level of interaction that Cerise+SPTF has had over the years with the financial sector across the globe. First of all, there are multitudes of players, starting with microfinance institutions, whose number is estimated anywhere between 7,000 and 10,000 worldwide. As of 2024, more than 1,000 FSPs across 100 countries on 4 continents have utilized Cerise+SPTF's SPI online (including SPI5, Alinus, CPP, etc.) over the past 9 years (2016-2024) (Cerise+SPTF Joint Annual Report 2024). Based on the estimated figures above, this means that Cerise+SPTF reached out to between 10 and 14% of all MFIs worldwide through this tool alone. Considering that 142 million people borrowed from MFIs in 2023, it means that it indirectly impacted 14 to 20 million borrowers, an estimation that is probably well under the actual figure, knowing that largest MFIs tend to resort to the SPI tool more than small ones. (NB: The online survey shows that almost all FSPs within Cerise+SPTF's network use at least one of Cerise+SPTF's tools.) Hence, the use of the SPI tool is a good proxy to estimate the scale of Cerise+SPTF's effect on the financial inclusion sector. Beyond the mere outreach of Cerise's flagship tool, it is possible to form an idea of Cerise+SPTF's impact on financial inclusion by looking at the capacity of the joint organization to engage the whole gamut of the industry's stakeholders

AFD's support enabled Cerise+SPTF to nurture and reinforce the link between itself and each family of stakeholders of the financial inclusion sector: demand-side (clients of FSPs), supply-side actors (FSPs), regulators, investors and support actors (especially SEPM Pros). These strategic partnerships are key for Cerise+SPTF to reach scale.

Cerise+SPTF's broad outreach, combined with the considerable work done to deepen the ties with MSA actors and massive efforts put into the development of a comprehensive value proposition for the financial inclusion sector put the institution in a very favorable position to

pursue its penetration of the industry worldwide. This positive outlook is, however, highly dependent on the capacity of Cerise+SPTF to fuel the virtuous cycle, i.e., to develop the human resource capacity to spread their know-how, to keep on adapting tools and concepts to the ever-changing realities and challenges of financial inclusion and last but not least, to mobilize the financial means to do all that. The risk that multitudes of actors take over Cerise+SPTF's work and wrongfully implement it in various places in the world exists. Some may just act with good intention but with the wrong approach, some may come up with idea to make a business case out of it and start operating outside of the ethical frame and the original idea of doing public good.

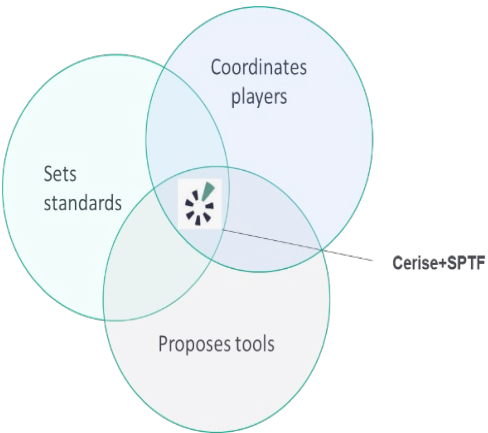
Eventually, the support of AFD enables Cerise+SPTF to pursue its core mission consisting in creating the public good around the topic of responsible finance, through various means outlined above, to allow market players to use it.

EQ 3 - What is the complementarity, harmonization and coordination of Cerise+SPTF strategy and activities with other financial inclusion supporting initiatives in the sector? To what extent has Cerise+SPTF any added-value in such ecosystem and what is it? Does there exist any strategic and operational overlaps with other actors of the ecosystem, and if so, which ones?

Cerise+SPTF's positioning is clear and distinct from other sectoral players, and the complementarities between them exist and are generally well understood among the financial inclusion stakeholders. Cerise+SPTF's value added is clearly identified and recognized among its partners. A detailed analysis of compared positioning and complementarities with e-MFP, CGAP, AFI, rating agencies, providers of assessment tools and methods, impact investors & DFIs, as well as with regulators is proposed in Table 6 of the appendix.

Main conclusion from this analysis is that Cerise+SPTF plays a central role in the sector with few overlaps with what others are doing. More specifically, Cerise+SPTF's value added relies on the following aspects:

Figure 7 - Representation of Cerise+SPTF's unique positioning



- Complete approach from standards setting to practical tools, while putting vulnerable populations at the center
- Collaborative and consensual approach regarding standard setting, with an ambition of universality
- Comprehensive set of practical and free of charge tools to implement the standards
- Close proximity to the FSPs on the field, especially through the RIFF interventions and the SEPM Pro network. There is a broad consensus around Cerise+SPTF's capacity to coordinate with all financial inclusion players. This is mostly explained by their positioning and collaborative approach.

Figure 8 - Perception of overlap between Cerise+SPTF and other players (all answers, total respondents: 176)

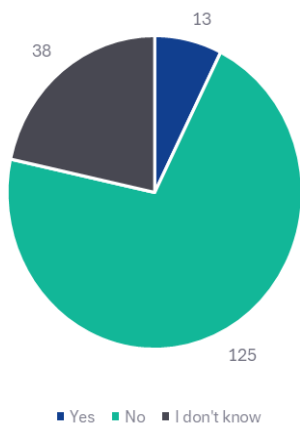
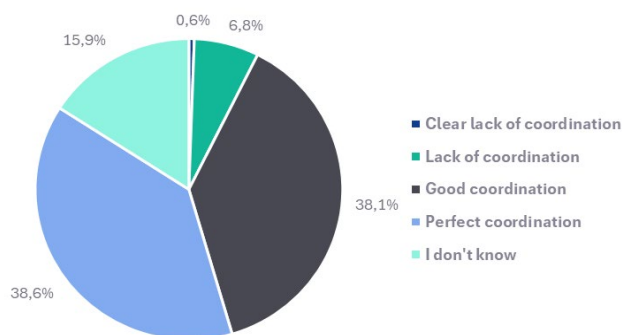


Figure 9 - Perceived level of coordination between Cerise+SPTF and other sectoral players (all answers, 176 respondents)



The fact that Cerise+SPTF has in its board all the key sectoral players from the sector is also a meaningful way to ensure a good level of coordination. Other committees also gather a large range of players. For instance, the RIFF-SSA steering committee comprises Cerise, SPTF, the CGAP, Oikocredit, ADA, SDC, AfDB, independent consultants and AFD. Keeping this high level of coordination is the best way to prevent future overlaps. The Cerise+SPTF Memorandum of Understanding strengthened meaningful complementarities to the benefit of its positioning and strategy.

Level 3: AFD's added value

EQ 6 - What has been the added value of AFD support (Projects 1 and 2)? What is the added value and relevance of AFD presence at the Board of Directors for the achievement of Cerise+SPTF strategy and operations?

AFD's stretch of 10 years of support on the topic of responsible finance illustrates the long lasting and solid sponsorship that AFD has provided to responsible finance in general and SPTF more particularly. AFD's added value in its partnership with SPTF starts with project design: for both CZZ-2244 and CZZ-3352, AFD challenged SPTF and encouraged the NGO to be ever more ambitious in its responsible finance initiatives.

In addition to this, AFD has played a key role in Cerise+SPTF's development as an "anchor funder" (i.e., a reference and recurrent funder of strategic importance to SPTF) that enhanced SPTF's capacities to mobilize cofinancing sometimes well beyond initial budgets. A concrete example to that is CZZ-3352's funding history: when AFD and SPTF signed the funding agreement, the project's total budget was USD 8.4 M and only 50% of it was secured. Within CZZ-3352's project timeline, Cerise+SPTF managed to mobilize a large range of co-financers and finally outperformed its fundraising objective. Last but not the least, AFD demonstrated its flexible approach to the funds granted to Cerise+SPTF, being open to the reallocation of certain budget lines when justified.

Beyond financial support to specific projects, AFD is actively committed alongside SPTF to the design of strategies to deploy meaningful and impactful actions in favor of responsible finance, notably through its continuous presence at the board of the NGO and various working groups of SPTF. The non-financial contribution of AFD to SPTF is threefold:

- AFD operations being deployed on all 5 continents, its presence at the board offered very interesting networking opportunities to roll out projects. For instance, SPTF recognizes the key role played by AFD in bringing Luxembourg's Foreign Affairs Ministry on board.
- SPTF benefited from the globally positive image of AFD Group as an important development aid player, that helped SPTF attract quality contributors to the board.
- Cerise+SPTF also benefited from the requirement made by the AFD Group to use the Alinus tool in some of its due diligence processes, or from the promotion of this tool by AFD in the framework of some of its projects.

Recommendations

Recommendations to AFD

- AFD's role as anchor funder was instrumental over the past years and remains of prime importance for the future of Cerise+SPTF. AFD and Proparco should, if adequate resources are made available, continue to support Cerise+SPTF in their strategic development with two main objectives: reach scale and continuously adapt to new risks and end-beneficiary needs.
- Even if Cerise+SPTF can increase marginally their financial sustainability through membership fees and consulting activities, this should not be done at the expense of what is at the heart of the initiative, that is to say creating more sustainability at sector level, to the benefit of vulnerable populations. Especially, monetization of the tools and products can very quickly have a "crowding out effect" if the financial burden falls on the MFIs. As such, financing the same structure year after year does not appear as an issue, if Cerise+SPTF use the funds to deepen their approach and their outreach.
- As much as possible, AFD could consider simplifying project monitoring through a better alignment between the future projects and Cerise+SPTF's business plan: considering the perfect alignment between AFD's priorities and Cerise+SPTF orientations underlined by the interviewed staff, it could be relevant to consider financing part of the business plan, on which AFD would have previously given its opinion and orientations as board member. As such, project follow-up would be simplified with no extra reporting efforts from Cerise+SPTF.
- It could be interesting to formalize the various interactions between AFD and Cerise+SPTF through a consistent, long-term MOU that could complement the "project" approach. Such partnership may go beyond financing agreements and rather focus on governance and strategy to strengthen the relationship between the two parties and further manifest that AFD supports and trusts SPTF in the long run.
- As part of this general partnership, AFD and Proparco could increase their "ambassador" role for Cerise+SPTF, systematically using the tools in their due diligences, and promoting them as much as possible among their counterparts within the frame of national scale projects. This would be particularly key to introduce Cerise+SPTF to regulators and other public bodies, which is a condition of the success of the MSA.
- In a future project, we would recommend financing some transverse evaluation and capitalization work focusing on the direct support provided by the various regional facilities to FSPs.

Recommendations to Cerise+SPTF

- Cerise+SPTF has always been at the forefront of innovation in the field of responsible finance promotion. This role needs to be upheld by the organization, and a significant part of its activity should be focused on R&D matters and pilot-testing of new concepts and tools such as the current work going on with the DFS standards or the development of a toolkit for regulators. This area of work should complement Cerise+SPTF's leading role in implementation (of standards, tools, etc.).
- In a context where public development resources become scarcer, it would be recommended that Cerise+SPTF make continuous efforts to diversify their financing sources. If monetization of resources and tools introduces clear risks in terms of inclusivity (see recommendations for AFD), a rebalancing of the funding structure towards impact investors and private foundations could limit Cerise+SPTF's financial dependency.
- Develop a more segmented offer to fit the needs of more and more diverse beneficiaries.
 - ✓ Building on the segmentation matrix from September 2024, further clarify and market the various resources and tools developed for each stakeholders' type and fine-tune "toolkits".
 - ✓ Consider segmenting FSPs to better address their specificities (small MFIs, big MFIs, international networks, Fintechs, banks, other such as agriculture investors, etc.) For example, small MFIs particularly value in-person training although bigger ones can fully benefit from online training and webinars.
- Further develop the relationship with the SEPM Pro network, with a specific focus on SEPM Pros based in Cerise+SPTF target countries (in line with AFD's priority countries): further engage them in tools implementation and training thanks to the RIFF, clarify role and business case for SEPM Pros within the new MSA orientation. The SEPM Pro network should be leveraged to further develop partnerships with regulators, if they manage to develop the right partnerships (e.g., the UN in Cambodia).
- Although the various regional facilities, strictly defined as grant providers to the benefit of FSPs or meso-players, have a clear role to play in the global Cerise+SPTF model, this role should be further clarified, and associated objectives should be set. More particularly, it would be useful to clarify the positioning of the RIFF offer (as direct financing facility) towards the MSA: articulation, synergies, leverage effect? Besides, partnerships should be considered to increase the outreach of these direct supports, for example with TA departments from impact investors.
- Continue efforts to strengthen key partnerships with any partner that can constitute a transmission belt and/or propose a leverage effect to put Cerise+SPTF's action at scale, AFD being one of them (see above, recommendations to AFD). More particularly, explore the relevance of strengthening collaboration with other sectoral players by conducting joint projects (ex: CGAP). National microfinance associations could also be interesting partners although the relevance of such partnerships should be further assessed on a case-by-case basis. In parallel, maintain the dialogue with the OECD Development Center to integrate the universal standards (esp. related to DFS) into a broader approach towards responsible finance.
- Branding of Cerise+SPTF activities can be uneasy to read, sometimes even cumbersome. While there is a need to preserve the continuity between what each institution did and what they do together today (e.g., Cerise's name is a landmark in the field of social and environmental performance management), pushing further the concept of integration and merger of both institutions' activities seems logical, if not obvious. This would help clarify the image of Cerise+SPTF (e.g., SPTF

is more than the “taskforce” that qualifies accurately what it was back in 2005; today it is a fully-fledged organization whose importance with Cerise could soon become of systemic importance for the financial inclusion sector at large).

- Strengthening monitoring and reporting framework through systematic digitization of processes and full use of Salesforce for all activities to improve efficiency. Room for efficiency improvement may also exist through lighter instruction and decision processes. Then, as much as possible, seek an alignment between financial partners' expectations in terms of reporting and internal monitoring and reporting framework.

Acronyms

ABC	Association of Banks in Cambodia
ADB	Asian Development Bank
AFD	Agence française de Développement
AFI	Alliance for Financial Inclusion
AMIR	Association of Microfinance Institutions in Rwanda
AMK	Angkor Microheranhvatho Kampuchea
BIO	Belgian Investment Company for Developing Countries
BOAD	Banque Ouest Africaine de Développement
BRAC	Bangladesh Rehabilitation Assistance Committee
CGAP	Consultative Group to Assist the Poor
CERISE	Comité d'Échange, de Réflexion et d'Information sur les Systèmes d'Épargne-crédit
CMA	Cambodia Microfinance Association
CPP	Client Protection Principles
DFSWG	Digital Financial Services Working Group
EIB	European Development Bank
EUR	Euro (code ISO 4217)
FIDRA	Fonds International de Développement de la Retraite Active (Côte d'Ivoire)
FIEC	Financial Inclusion Equity Council
FMO	Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (from Dutch: Company for the financing of development)
FRA	Financial Regulating Authority (Egypt)
FSP	Financial Services Provider
IBF	Institute of Banking and Finance (Cambodia)
KPI	Key Performance Indicator
LMFA	Lao Microfinance Association
MCPI	Microfinance Council of the Philippines
MFI	Microfinance Institution
MFR	MicroFinanza Rating
MFT	MicroFinance Transparency
MSA	Market System Approach
MSME	Micro- Small and Medium size Enterprises
NBC	National Bank of Cambodia
NBR	National Bank of Rwanda
OSC	Civil Society Organizations (from French: Organisations de la société civile)
REGMIFA	Regional MSME Investment Fund for Sub-Saharan Africa
RIFF	Responsible Inclusive Finance Facility
RIM	Réseau Interdiocesain de Microfinance
SACCO	Savings and Credit Cooperative
SC	Smart Campaign
SDC	Swiss Agency for Development and Cooperation

SEA	Southeast Asia
SIWG	Social Investors Working Group
SMART	Specific, Measurable, Achievable, Relevant, and Time-bound
SPTF	Social Performance Taskforce
SSA	Sub-Saharan Africa
UN	United Nations
USD	United States Dollar (code ISO 4217)
USSEPM	Universal Standards for Social and Environmental Performance Management

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