Format for Appraisal of Network Support Organizations

A Technical Guide
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Jennifer Isern
Matthew Brown

CGAP
Consultative Group to Assist the Poor
Format for Appraisal of Network Support Organizations is available for download from the CGAP Web site (http://www.cgap.org/) publications page.

This appraisal format has been developed by the Consultative Group to Assist the Poor (CGAP) as a guide to evaluating network support organizations (NSOs) in microfinance. It is designed for both comprehensive appraisals as well as “mini” evaluations that use a particular section of the format to analyze a specific aspect of an NSO. For a full appraisal, this format will help an analyst assess (1) how well an NSO’s mission fits a funder’s strategic priorities, (2) the degree to which an NSO is an efficient and well-run organization, (3) the quality of NSO services and their relevance to partners, and (4) an NSO’s contribution to the broader microfinance industry.

The NSO appraisal guide was released in October 2004 as a draft, and reviewer comments were considered in the development of this final version.

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Jennifer Isern led the development of this NSO appraisal guide, and the principal authors of this appraisal guide are Jennifer Isern and Matthew Brown. The NSO appraisal guide was released in October 2004 as a draft. Reviewer comments were considered in the development of this final version. An early draft was developed by Diana Meyers in coordination with Jennifer Isern and Tamara Cook. Elisabeth Rhyne of ACCIÓN International and Richard Rosenberg of CGAP provided significant comments and advice on the overall approach. Isabelle Barrès and Didier Thys of the Microfinance Information eXchange (MIX), Renée Chao-Béloff of the Centre International de Développement et de Recherche, Marc de Sousa-Shields of Enterprising Solutions Global Consulting, David Gibbons of CASHPOR Inc., Thomas Kennedy and Katharine McKee of USAID, Roland Siller of KfW, and Maria Taddesse also reviewed and commented on the document. Special thanks are due to Tamara Cook, Brigit Helms, Alexia Latortue, and Elizabeth Littlefield of CGAP who provided valuable comments.
This appraisal format was developed by the Consultative Group to Assist the Poor (CGAP) as a guide to evaluating network support organizations (NSOs) in microfinance. Broadly speaking, an NSO’s primary function is to develop its institutional partners.\(^1\) NSO partners are typically microfinance institutions, banks, or other organizations that offer financial services to the poor. The NSO and its partners form a microfinance network.\(^2\) Table 1 provides a list of the major NSOs operating in microfinance today.

This format is an outline for gathering information and assessing NSOs. It has several possible applications, ranging from appraisals for funding decisions to internal NSO self-assessments. It is designed for both comprehensive appraisals and “mini” evaluations that use a particular section of the format to analyze a specific aspect of an NSO. For funders interested in a full appraisal, this format will help an analyst assess (1) how well an NSO’s mission fits a funder’s strategic priorities, (2) the degree to which an NSO is an efficient and well-run organization, (3) the quality of NSO services and their relevance to partners, and (4) an NSO’s contribution to the broader microfinance industry.

The appraisal format is divided into five sections:

1. **Summary Analysis Report**—Provides a framework for an analyst’s final report. The report should (a) draw conclusions about whether the NSO adds value to its partners in a cost-effective way and (b) provide recommendations for funding.

2. **Institutional Factors**—Explores an NSO’s mission and development strategy, and analyzes its organizational capacity.

3. **NSO Partners**—Examines the profile of NSO partners, relationships between an NSO and its partners, and an NSO’s impact on its partners.

4. **NSO Services**—Evaluates each NSO service, the services’ impact on partner performance, and the services’ contribution to the broader microfinance industry.

5. **Strategic Plan**—Analyzes an NSO’s strategic plan, and summarizes NSO projections for future operations.

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\(^1\) Although different terms, such as *partner*, *member*, and *affiliate*, are used to describe the relationship of an NSO to the organizations it supports, *partner* is used here to characterize all of these relationships.

\(^2\) The diversity of NSOs operating in microfinance is discussed in Isern and Cook 2004.
Each section of this guide begins with an overview to help an analyst through the different modules in the section. At the outset of each module, analysts are instructed to describe a particular aspect of the NSO; this is followed by a series of evaluative questions.

### Table 1. The variety of NSOs in microfinance today

<table>
<thead>
<tr>
<th>NSO</th>
<th>Abbreviation</th>
<th>Web site</th>
</tr>
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<tr>
<td>ACCIÓN International</td>
<td>ACCIÓN</td>
<td><a href="http://www.accion.org">www.accion.org</a></td>
</tr>
<tr>
<td>African Rural and Agricultural Credit Association</td>
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<tr>
<td>Africa Microfinance Network</td>
<td>AFMIN</td>
<td><a href="http://www.afmin-ci.org">www.afmin-ci.org</a></td>
</tr>
<tr>
<td>Banking with the Poor Network</td>
<td>BWTP</td>
<td><a href="http://www.bwtp.org">www.bwtp.org</a></td>
</tr>
<tr>
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<td>Cashpor</td>
<td><a href="http://www.cashpor.com">www.cashpor.com</a></td>
</tr>
<tr>
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<td>CRS</td>
<td><a href="http://www.catholicrelief.org">www.catholicrelief.org</a></td>
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<tr>
<td>Centre International de Développement et de Recherche CIDR</td>
<td><a href="http://www.cerise-microfinance.org">www.cerise-microfinance.org</a></td>
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<tr>
<td>Développement International Desjardins DID</td>
<td><a href="http://www">www</a>. did .qc.ca</td>
<td></td>
</tr>
<tr>
<td>Ecumenical Church Loan Fund International ECLOF</td>
<td><a href="http://www.eclof.org">www.eclof.org</a></td>
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</tr>
<tr>
<td>FINCA International</td>
<td>FINCA</td>
<td><a href="http://www.villagebanking.org">www.villagebanking.org</a></td>
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<tr>
<td>Freedom From Hunger</td>
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<tr>
<td>Friends of Women’s World Banking FWWB</td>
<td><a href="http://www.fwwbindia.org">www.fwwbindia.org</a></td>
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<tr>
<td>Grameen Foundation</td>
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<td><a href="http://www.grameen-info.org/">www.grameen-info.org/</a> grameen/gtrust/</td>
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<td>Groupe de recherche et d’échange technologique GRET</td>
<td><a href="http://www.gret.org">www.gret.org</a></td>
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<tr>
<td>International Network of Alternative Financial Institutions INAFI</td>
<td><a href="http://www.ina%EF%AC%81.org">www.inaﬁ.org</a></td>
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<tr>
<td>Internationale Micro Investitionen AG/ Internationale Projekt Consult IMI/IPC</td>
<td><a href="http://www.imi-ag.de">www.imi-ag.de</a></td>
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<td>Mennonite Economic Development Associates MEDA</td>
<td><a href="http://www.meda.org">www.meda.org</a></td>
<td></td>
</tr>
<tr>
<td>NSO</td>
<td>Abbreviation</td>
<td>Web site</td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>--------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>Microfinance Centre for Eastern Europe and the Newly Independent States</td>
<td>MFC</td>
<td><a href="http://www.mfc.org.pl">www.mfc.org.pl</a></td>
</tr>
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<tr>
<td>Sa-Dhan</td>
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<tr>
<td>Save the Children</td>
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<td><a href="http://www.savethechildren.org">www.savethechildren.org</a></td>
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<tr>
<td>ShoreCap International</td>
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<td><a href="http://www.sbk.com">www.sbk.com</a></td>
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<td>Small Enterprise Education and Promotion Network</td>
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<td>Unitus</td>
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<td>Women’s World Banking</td>
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<tr>
<td>World Vision</td>
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<td><a href="http://www.worldvision.org">www.worldvision.org</a></td>
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</table>

Note: A majority of the organizations listed here have profiles posted on the MIX Market at www.mixmarket.org.
There is no simple way to conduct an NSO appraisal. NSOs are complex organizations that provide many angles from which to measure and evaluate performance. Based on CGAP’s experience, there are a number of lessons learned that may help streamline the process. The following is a list of recommended steps for an appraisal process. The order of steps is intentional, but should be changed as circumstance demands.

**Step 1: Determine the purpose and scope of the appraisal.**
Before beginning an NSO appraisal, the commissioning organization should identify the key purpose(s) and scope of the appraisal and establish the terms of reference for an analyst(s).

Terms of reference should draw on various sections of this guide, based on the appraisal's purpose, type of funding proposed, and features of the NSO gleaned from the proposal, other evaluations, and other informed sources. The entire appraisal guide should be used as the terms of reference for analysts only in rare cases that involve major funding proposals. Sample terms of reference, including one for a short appraisal of 4–5 days and one for a more complete appraisal of 13–15 days for a site visit are provided in Annex 1. The funder should identify the sections of this appraisal guide that are relevant to the specific context. At a minimum, the analyst should cover the following areas:

1. **Analysis of the NSO’s objectives and institutional capacity.** Determine whether the NSO is a good channel to meet the funder’s own strategic objectives and whether the NSO has the institutional capacity to achieve its stated goals. Draw conclusions about the extent to which the NSO is an efficient and well-run organization with good prospects for the future.\(^3\)

2. **Analysis of the NSO’s impact or the value it adds to its partners.** Draw conclusions about the extent to which the NSO adds value to its partners in a cost-effective way. Draw on interviews with NSO partners and other stakeholders, as well as data gath-

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\(^3\) To date, there are no performance benchmarks for NSOs. Until such benchmarks are developed, analysts need to use their best judgment and other relevant performance standards for similar organizations. Analysts should, however, make clear the basis for their conclusions.
erated from different sections of this appraisal format, to analyze the NSO’s overall added value to partners. It may be useful to look at trends in a variety of partner performance indicators to get a sense of whether the NSO is actually helping partners expand their outreach and improve their financial performance.

Correlating the quality and performance of NSO partners with NSO inputs is difficult, but remains a critical part of the analyst’s work. In addition to analyzing NSO inputs, performance trends, and the viewpoints of the NSO and its partners, consider other factors that impact NSO partners, such as (a) environmental factors, (b) the stage of partner development when it became affiliated with the NSO, and (c) support received by partners from other NSOs or technical service providers.

3. Analysis of NSO services and contribution to the broader microfinance industry. Draw conclusions about the extent to which the NSO provides quality services that further its mission, are relevant to its partners, and contribute to the broader microfinance industry. Conclusions about the NSO’s contribution to the broader microfinance industry should come from analysis of its services, such as knowledge management, policy advocacy, research and development, and interviews with key stakeholders.

The Summary Analysis Report has been designed specifically to capture this analysis. Items marked with a star (★) throughout the format are critical to the analysis.

For appraisals or evaluations that are smaller in scope, the format itself may be a useful tool for selecting areas of focus for the analyst’s terms of reference.

Step 2: Choose the analyst.
No matter the skill or experience of the analyst, evaluating an NSO is a significant undertaking. An evaluation is subjective and depends heavily on the qualifications and judgment of the analyst. The more experience an analyst has with microfinance providers, NSOs, the wider microfinance industry, and institutional-level issues, the better the analyst will be able to assess the overall quality of the NSO.

Step 3: Select appropriate sections and modules of the format.
The analyst should work closely with the commissioning organization to select sections and modules of the format specific to the purpose(s) of the appraisal, as determined in Step 1. The choice of appropriate sections and modules will be based on the nature of the
NSO, information available from existing sources, timeframe, and budget. Funders would likely use the full framework only in the case of a significant funding decision. For smaller funding decisions, the analyst may choose to complete the Summary Analysis Report. Key questions in the Summary Analysis Report are cross-referenced to other sections of the appraisal format to help the analyst quickly reference specific areas that may require more extensive analysis.

**Step 4: Map out the appraisal.**
Before the actual appraisal begins, develop a plan for completing the appraisal. Schedule time to hold a meeting(s) or conference call(s) with the NSO and the commissioning organization and other major stakeholders, to clarify expectations. Considering the recommendations of NSO partners, determine the best way to gather and compile information. The analyst, not the NSO, should select which partners to interview and/or visit, ensuring that these organizations are representative of NSO clientele. Criteria for choosing partners to interview and/or visit include the following:
- balance, in terms of partner size (outreach and portfolio), profile (products, diversity, current challenges), maturity, and location
- intensity and duration of the NSO’s relationship with the partner
- appraisal time frame, budget, and number of team members
- the judgment of the analyst and the commissioning organization

**Step 5: Collect available data in advance.**
Before conducting interviews and site visits, the analyst should capture as much data as possible about the NSO and its partners.

Key data sources for the evaluation include the following:
- completed Network Support Organization Profile
- internal NSO documentation, including financial statements for the past three years, governance documents, mission statements, annual and quarterly reports, reports to

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4 A blank Network Support Organization Profile is attached as Annex 2 of this appraisal format. Completed Network Support Organization Profiles for several NSOs are posted on the MIX (www.mixmarket.org) in the “Partner” section. Profiles for organizations that primarily provide funding are available in the “Supply” section. NSOs that participate in the MIX may update their NSO Profiles online annually. The analyst may want to discuss with the NSO any differences between the NSO’s self-reported responses and the analyst’s own findings.
funders and partners, business and work plans, organizational charts, information system outputs, key publications, and other relevant materials
• external reports, ratings, or evaluations of the NSO, including any relevant surveys conducted among its partners
• data reported through the MIX (e.g., partner profiles)

The analyst also should note information that is requested but unavailable, particularly information that is unavailable because of gaps in NSO information tracking.

Step 6: Conduct telephone interviews and site visits.
Interviews should be conducted with a significant sample of (a) NSO staff and board members, plus partner managers, staff, and board members, who collectively represent the diversity of the network, (b) funders who have supported the NSO, and (c) other industry stakeholders. The Interview Guides for NSO Partners and Industry Stakeholders in annexes 4 and 5 provide sample questions and should be adapted, as appropriate. All interviewees should be reassured that their responses will be confidential and will not be reported to the NSO in any form that would associate a specific comment with a particular organization.

The analyst should visit NSO headquarters and main offices to meet with key management and technical staff. Depending on the scope of the evaluation, site visits of selected NSO partners should be conducted. If a complete partner appraisal is required as part of the evaluation, CGAP’s Appraisal Guide for Microfinance Institutions (2007) can be useful.

Step 7: Compile information and prepare the report.
Given the broad nature of most NSO activities, a final appraisal report could easily become unwieldy. The analyst should balance the volume of information against analysis of key decision-making issues. The Summary Analysis Report is designed to highlight key findings and should be written to stand alone as a synthesis of the appraisal. The analyst may find it helpful to refer to the scorecard in Annex 2 to rate the NSO as he or she works through the different modules of the format.

Step 8: Present the initial report to the NSO for feedback.
Involving NSO leadership, including directors and managers, in the evaluation from the
beginning can help them better understand the operations of their organization and improve its performance. Once the draft report is available, it is essential to share it with NSO leadership to confirm the accuracy of the information reported and to draw on their deep understanding of the NSO and its partners. The analyst should discuss the initial findings with the NSO and request written feedback from the NSO.

**Step 9: Distribute the final report with recommendations and conclusions.**
The final report should give the commissioning organization useful insights for making a funding decision. A well-done appraisal also will provide valuable insights that allow the NSO to understand its capacity and improve its performance. With this in mind, the Summary Analysis Report should be tailored as needed to incorporate additional details from the main sections of the format. Once the Summary Analysis Report is completed, the commissioning organization, in consultation with the NSO, should decide on its distribution within the network and among stakeholders.
The Summary Analysis Report is a framework for the final report of a full appraisal. It should be adapted or amended as appropriate for smaller appraisals or evaluations.

1.1 Overview of the Network
This module should provide background details on the NSO that focus on its mission and development strategy, as well as general information on NSO partners and their clients. Overall, the module should answer the question: To what extent does the NSO share a common vision with the funder and reach partners the funder wants to support?

<table>
<thead>
<tr>
<th>History, purpose, and mission</th>
<th>How, when, and by whom the NSO was established; how it has evolved over time; development strategy; target clients; social focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational focus</td>
<td>Multisector, microfinance only, microfinance with related services</td>
</tr>
<tr>
<td>Geographic focus</td>
<td>Global, regional, national</td>
</tr>
<tr>
<td>Budget for most recent FY</td>
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</tr>
<tr>
<td>Number of full-time staff</td>
<td>Also number of full-time staff dedicated to microfinance, if different</td>
</tr>
<tr>
<td>Description of partners</td>
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</tr>
<tr>
<td>Number of partners</td>
<td></td>
</tr>
<tr>
<td>Percentage of partners with positive return on assets</td>
<td></td>
</tr>
<tr>
<td>Total number of active clients of partners</td>
<td></td>
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</tbody>
</table>

See Annex 3, items 1–3, 5, and 8–13.
Key Questions

• Evaluate the NSO’s mission and development strategy. What are the main strengths and drawbacks of the development strategy? (Section 2.1)

• How effectively does the NSO board of directors guide the NSO in fulfilling its strategic vision, providing oversight to NSO management, and representing the NSO externally? (Section 2.3)

• Considering the political, economic, and social context of the countries (or geographic region) in which the NSO works, evaluate the NSO’s mandate and/or appetite for working in difficult environments and how it addresses the risks involved. (Section 2.4)

• Evaluate the NSO’s choice of partners, including their target clients, locations, legal status, and stage of development (e.g., start-up, young, mature). To what extent is the NSO working with challenging partners and partners through which it can have the greatest impact? (Section 3.1)

• Evaluate the relationship between the NSO and its partners. How deeply and broadly engaged is the NSO with its partners and how does this compare to the NSO’s vision and capacity? (Section 3.1)

• To what extent has the NSO set clear performance standards for partners? Evaluate its policies for and experience of sanctioning or disaffiliating partners. (Section 3.1)

1.2 NSO Services and Impact on Partners

By evaluating NSO services and inputs to partners, this module should answer the question: Does the NSO have a good track record of making substantial contributions to the quality and performance of partners in a cost-effective way? Refer to the instructions in section 3.3 when completing and considering the key questions that follow.

Table 3.1 allows the analyst to review NSO inputs on a partner-by-partner basis. The questions that follow tend to consider NSO inputs and outcomes network-wide. In both instances, the analyst should determine the extent to which NSO services impact the quality and performance of partners and compare this against the donor, government, and private funding given to the NSO and its partners.
Key Questions

- Evaluate the trends in partner outreach and financial performance. What are the principal drivers of these performance trends? How do NSO partners compare to their respective peer groups? How strongly does the NSO role correlate to trends in partner performance? (Section 3.3)

- Are NSO reports and monitoring adequate to assess NSO and partner performance? How has the NSO used this information to transform NSO and/or partner operations? How transparent is the NSO with this information? What is the availability and quality of information on NSO and partner performance, operations, and finances? (Section 2.9)

- What services does the NSO offer? How do these services relate to the NSO's mission and development strategy? In what ways do these services add value to NSO partners and to the microfinance industry as a whole? How effective are each of the services offered in terms of delivery, cost effectiveness, and impact on partners? (Section 4.1)

- How do partners view NSO services? What do partners consider the core competencies of the NSO? How do they perceive their access to and the responsiveness of the NSO? What other advantages do they find in their network affiliation? (Section 3.2)

- How do other industry stakeholders assess NSO services and contributions to partners and to the microfinance industry as a whole? (Section 2.10)
1.3 NSO Operational Performance
This module focuses on institutional factors of the NSO, ranging from the structure of operations and human resources to the strategic plan. It also evaluates the cost structure and financial management of the NSO. Overall, the module should answer the question: To what extent is the NSO an efficient and well-run organization with good prospects for the future?

Key Questions
- How effective is the NSO’s operations structure? How does the structure impact the NSO’s ability to work effectively in its choice of regions and countries? How cost effective is this structure? (Section 2.5)
- Evaluate the composition and competence of the NSO management team. How effective is the management team in optimizing the performance and impact of the NSO? (Section 2.6)
- Evaluate the composition and competence of NSO staff. To what extent is NSO staff held accountable for results? (Section 2.7)
- Based on the NSO’s capacity and past performance, evaluate the focus of its business and/or strategic plan. Does the strategic plan reflect a clear understanding of the state of the industry? Is it realistic? (Sections 5.1 and 5.2)

1.3.1 Trends in Sources of NSO Funds
Based on the NSO’s financial statements for the past three years, evaluate trends in the sources of NSO funds and depict them graphically as shown below, if helpful. This will give you some sense of how much the NSO relies on donor funding and of cost-recovery mechanisms the NSO may have in place (through membership fees and other forms of income).

<table>
<thead>
<tr>
<th>REVENUE</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Grants</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private donations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership fees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earned income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources of funds for most recent fiscal year (as % of total income)

- Private donations: 45%
- Loans: 16%
- Investment income: 2%
- Membership fees: 4%
- Earned income: 3%
- Other: 0%

5The categories for sources and uses of NSO funds may be different from those shown here.
1.3.2 Trends in Uses of NSO Funds

Based on the NSO's financial statements for the past three years, evaluate the organization’s overall cost structure, especially that of headquarters, to determine whether the NSO is making good use of its funds. Estimate the percentage of NSO funds being used for administration, salaries, fundraising, etc., versus development of NSO partners and/or the microfinance industry as a whole. Compare these percentages with industry standards and depict the information graphically, as shown below, if helpful.

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>General and Administrative</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fundraising</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Partner programs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Start-up / Transformation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industry-wide programs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research and Development</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Policy Advocacy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knowledge Management</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Key Questions

- Evaluate the cost structure of the NSO. How effective is the NSO in maintaining operating and administrative costs at appropriate levels? Does the NSO have effective cost-recovery mechanisms built into service delivery, where appropriate? Is the allocation of resources compatible with the NSO’s mission? (Section 2.8)
- Does the NSO have adequate resources, given budget projections and funding requirements? Is the NSO’s funding plan adequate for future goals? In the case of
funding shortfalls, are adequate mechanisms or reserves in place to buffer the losses? To what degree, if at all, does the NSO emphasize sustainability in its operations? (Section 2.8)

• What are the potential risks to the NSO’s financial management? How restricted or diverse are NSO funding sources? Has the NSO effectively leveraged commercial resources? How vulnerable is the NSO to financial shocks? (Section 2.8)

1.4 Summary Conclusions and Recommendations
Summarize the NSO’s strengths, weaknesses, impact on partners, and relevance to the industry and make recommendations for funder support. Consider how the NSO can improve its operations and services, such as expanding or deepening NSO partner outreach.

Key Questions
• What are the NSO’s comparative advantages and major accomplishments? Is the NSO making a substantial contribution to the quality and performance of its partners and/or the industry as a whole, given its resources? Is the NSO working with partners through which it can have the greatest impact?
• Operationally, what are the NSO’s principal strengths and weaknesses? Consider in particular NSO management, services, financial position, sources, and uses of funds. In what ways can the NSO make its operations more efficient?
• Given the NSO’s capacity and the ongoing evolution of the financial sector, are the NSO’s choice of partners and services appropriate? What are potential opportunities for and threats to the NSO’s mission and operations? (Section 5.2)
• What are the analyst’s recommendations for funder support (amount, type of instrument, purpose)? What are the potential risks related to this support for the funder, the NSO, and NSO partners?
The central focus of this section is the question: Is the NSO an efficient and well-run organization? The evaluative questions refer to the NSO’s microfinance program. For NSOs that also provide nonmicrofinance services, be sure to characterize the relationship between those activities and its microfinance program. Describe how the microfinance program compares in scale and outreach to the activities of the NSO as a whole.

2.1 Mission and Development Strategy
Describe the NSO’s mission and development strategy (i.e., the problems the NSO has identified and how it seeks to address them). Consider formal NSO charters and the vision of its leaders. Discuss the NSO’s mission and development strategy in terms of (1) its relationships with its partners and (2) its role with respect to the broader microfinance industry.

Evaluate the following:

★ Effectiveness. Do the mission and development strategy of the NSO effectively motivate the NSO and its partners? Evaluate the main strengths and weaknesses of the mission and development strategy.

• Clarity. Are the mission and development strategy of the NSO clearly conveyed? Are they understood and shared equally by management, staff, and partners?

2.2 Founding and Evolution
Describe how, when, and by whom the NSO was established and how it has evolved over time. Discuss the basis for the initial design of the NSO’s organizational structure, development strategy, services, and geographic focus, then describe the principal causes of change. If the organization is a multisector NSO, note the inception of the microfinance program, the impetus for its creation, and its role within the broader organization.

2.3 Governance
Describe the legal framework by which the NSO is governed, including its board of directors or equivalent body (size, composition, committees, and member qualifications).
Discuss the board’s official and *de facto* roles and any unofficial influence it has on NSO governance and operational style. Attach a list of the current board members and their outside affiliations.

Evaluate the following:

- **Effectiveness.** How effective is the NSO board in (1) guiding the NSO in the fulfillment of its strategic vision, (2) providing oversight to the NSO management, and (3) representing the NSO externally?
- **Legal framework.** Is the legal framework effective for NSO operations? For multi-sector NSOs, to what extent are there separate documents that govern microfinance activities?
- **Structure.** Evaluate the structure of the NSO board, including size, composition, and committees. Are there any conflicts of interest among board members that impact NSO operations?
- **Competence.** How well does the NSO board understand the broad issues of microfinance? To what extent do board members understand key issues affecting NSO performance?

2.4 Context

Describe the legal, political, economic, and cultural context of the countries (or region) in which the NSO works. Discuss any particular areas targeted by the NSO, such as a particular region, post-conflict areas, or remote rural areas. Describe significant external constraints that inhibit the work of the NSO or external elements that give it a competitive edge.

Evaluate the following:

- **Risk appetite.** Evaluate the NSO’s mandate and/or appetite for working in difficult environments. Explain using examples. How does this appetite impact the NSO’s performance?
- **Response.** How effectively does the NSO respond to environmental factors that pose potential threats to its operations and those of its partners?

2.5 Structure of Operations

Describe how the NSO is structured (centralized, decentralized, or otherwise) and how responsibilities and human and financial resources are distributed throughout the struc-
tured. Include a description of the headquarters and field or branch offices, if any, and the mandate for each. If needed, attach a copy of the NSO’s current organizational chart.

Evaluate the following:
★ Cost. How cost effective is the NSO’s structure of operations?
★ Impact. To what extent does the structure (centralized, regional hubs, country offices, etc.) impact the NSO’s ability to work effectively with partners and/or in a geographic area(s)?

2.6 Management Team
Describe the management team, including structure and functions, competencies, level of openness, and its importance to the mission and operations of the organization.

Evaluate the following:
★ Effectiveness. How effective is the management team in terms of (1) communication and openness with partners, NSO board, staff, and other stakeholders; (2) optimizing the performance and impact of the NSO; and (3) driving forward the purpose and direction of the NSO?
★ Composition. To what degree does the composition and structure of the management team optimize NSO performance? To what extent would the NSO be impacted if one or more of its managers leave? Evaluate the strengths and weaknesses of key individuals.
★ Competence. How competent is the management team in terms of its knowledge and skills? How aware and forthcoming is the management team concerning internal NSO financial and operational issues, as well as financial and operational issues of its partners? In the case of multisector NSOs, how well does the institution’s senior management understand microfinance issues and operations?

2.7 Human Resources
Describe the human resource management practices and strategy of the NSO, including how it uses and manages nonstaff resources, such as consultants and volunteers. Comment on how specific functions are staffed.

Evaluate the following:
★ Composition. Is the NSO appropriately staffed? Does the NSO staff have the knowledge, skills, and experience for the positions they hold? To what extent does the NSO
depend on staff, as opposed to nonstaff, expertise? How does this affect the NSO’s operations?

- **Accountability.** How does the NSO hold staff accountable for results? Are performance standards appropriate given the NSO’s vision and operations? How does NSO staff optimize efficiency?

- **Effectiveness.** Evaluate the effectiveness of the NSO’s human resource management practices and strategy in terms of (1) recruiting, (2) training, (3) retention/turnover, and (4) succession planning.

### 2.8 Financial Management

Based on the NSO’s financial statements for the most recent period and the past three years, describe the funding strategy of the NSO microfinance program. Discuss how successful the strategy has been in reaching NSO goals and the ways in which the funding strategy and priorities have evolved.

Consider NSO funds for its own operations separately from funds it mobilizes for partners.\(^6\) Provide details of the sources of NSO funds (as a percentage of total funds) for the current and previous three years in Table 2.1. Summarize funding trends for the NSO. (Provide this information in section 1.3 of the Summary Analysis Report.) If applicable, explain how the ownership of partners by the NSO impacts its financial management and budgeting.

<table>
<thead>
<tr>
<th>Year</th>
<th>Public Grants</th>
<th>Private Donations</th>
<th>Loans</th>
<th>Investment Income</th>
<th>Membership Fees</th>
<th>Earned Income</th>
<th>Other</th>
</tr>
</thead>
<tbody>
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</tr>
</tbody>
</table>

*Note: Categories should be adapted as needed.*

Provide details of the NSO’s uses of funds (as a percentage of total funds) for the most recent and the previous three years for each of the categories in Table 2.2. Discuss any patterns or trends. Provide this information in section 1.3 of the Summary Analysis Report.

\(^6\) This may be difficult for NSOs that consolidate their budgets and financial statements with those of their partners. In this case, note the level of consolidation and do your best to distinguish and evaluate the portion of resources allocated to internal NSO operations. Financial resource mobilization for partners is considered in detail in section 4.
Evaluate the following:

★ **Resources.** Does the NSO have adequate resources (grants, loans, etc.), given its budget projections and funding requirements? Is the NSO funding plan adequate for future goals? To what degree, if at all, does the NSO emphasize sustainability in its operations?

★ **Allocation.** Are resources allocated and monitored through an annual NSO work plan and budget? Is resource allocation compatible with the NSO mission?

★ **Risks.** What are the potential risks to the NSO’s financial management? Is NSO funding sufficiently diverse and adequate for future goals? How restricted are NSO funding sources? Has the NSO leveraged commercial resources? How vulnerable is the NSO to financial shocks and funding shortfalls?

★ **Costs.** Evaluate the NSO’s fundraising and administrative costs. What is the cost of raising a dollar (euro, etc.) for the NSO? How effective is the NSO in maintaining operating and administrative costs at appropriate levels? Does the NSO have effective cost-recovery mechanisms built into service delivery, where appropriate?

2.9 Information and Reporting Systems

Comment on the reliability of NSO information systems used to monitor NSO and partner performance, operations, finances, and impact. Describe the type and frequency with which partners provide data to the NSO and the extent to which the NSO is transparent with this and its own internal information.

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7 The analyst should consider comparing the NSO’s administrative and fundraising costs with benchmarks for other nonprofit organizations, including those developed by the American Institute of Philanthropy (www.charitywatch.org) for U.S.-based NSOs, Foreign Aid Ratings, LLC (www.foreignaid.com), or other monitoring groups. While benchmarking for MFIs is more developed, the authors note the lack of reporting standards and benchmarking for NSOs—an area for further industry-level work.
Consider, for example, whether the NSO and/or its partners report to national banking and/or microfinance supervision authorities, the MIX Market, the MicroBanking Bulletin, or other benchmarking services, such as the American Institute of Philanthropy (www.charitywatch.org), and how significantly NSO reports must be tailored to meet the requirements of these groups. Note the frequency and scope of ratings, evaluations, and/or audits of partners.

Evaluate the following:

★ **Usefulness.** Do the reports enable accurate and timely assessment of NSO and partner performance? To what extent does the NSO provide feedback to its partners on reports provided? To what extent have they been used to make changes to NSO operations and/or partner operations?

★ **Transparency.** How transparent is the NSO? What is the availability, quality, and timeliness of reports on NSO and partner performance, operations, finances, and impact?

- **Inputs.** Are reporting requirements and monitoring by NSO staff sufficient to track essential elements of partner performance, especially portfolio quality, profitability, and breadth and depth of outreach? Are these requirements in line with global industry standards? What percentage of partners send regular and accurate data to the NSO?

- **Outputs.** Does the NSO send timely operational and financial reports to all staff, management, board members, and partners? To what extent do these reports include regular NSO financial audits?

2.10 Industry Role and Perceptions

Describe the role of the NSO within the context of the broader microfinance industry. Discuss the external relationships and/or affiliations the NSO has with the broader microfinance community. Summarize the information gathered through interviews from various industry stakeholders, including funders that have supported the NSO, as well as other NSOs and microfinance organizations. Consider external perceptions of the NSO in terms of its perceived services to partners and its “added value” to the microfinance industry.

Evaluate the following:

★ **Impact.** What contributions to NSO partners and the microfinance industry do industry stakeholders attribute to the NSO?

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8 You may wish to adapt elements of the Interview Guide for Industry Stakeholders (see Annex 5) to help gather information from relevant organizations, as described in step 5 of the Methodology. Consider ratings by watchdog organizations (e.g., Charity Navigators, American Institute of Philanthropy, or other such organizations), if appropriate.
• **Role.** How appropriate is the role the NSO has adopted with respect to the microfinance industry? To what extent does this role detract from or add to NSO operations and its impact on partners?

• **Access.** Evaluate the frequency and quality of NSO interactions with the broader microfinance industry. According to industry stakeholders, including funders that have supported the NSO, do NSO management and staff interact and communicate appropriately and effectively?

• **Competence.** Do industry stakeholders find NSO staff and management sufficiently qualified? Do industry players see the NSO as a valuable resource and a point of contact?

• **Services.** From the perspective of industry stakeholders, which NSO services are most effective and why?
Chapter Three

Partners and NSO Impact

This module is key to understanding the NSO’s added value to partners and should form the core of the Summary Analysis Report. This section examines (1) the profile of NSO partners, (2) NSO-partner relationships, and (3) the impact of the NSO on its partners.

3.1 NSO Partners and Relationships
Describe the NSO’s partners, including their total number, regional locations, target clients, current stages of development, and their NSO ownership stake. Note the stage of development when partners joined the network (created by the NSO, supported by the NSO from early days, joined as a mature, independent organization, etc.). Note trends or shifts in focus with respect to partners affiliated with the NSO. Summarize this information in the charts below.

REGIONAL PRESENCE: Areas where the NSO operates and/or has partners
(Indicate number of partners in each region)

<table>
<thead>
<tr>
<th>Region</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-Saharan Africa</td>
<td></td>
</tr>
<tr>
<td>Asia</td>
<td></td>
</tr>
<tr>
<td>Latin America</td>
<td></td>
</tr>
<tr>
<td>Eastern Europe, Central Asia, NIS</td>
<td></td>
</tr>
<tr>
<td>Middle East, North Africa</td>
<td></td>
</tr>
<tr>
<td>North America, Western Europe</td>
<td></td>
</tr>
</tbody>
</table>

See Annex 3, item 4.

NSO OWNERSHIP of partners
(Indicate number of partners in each category)

<table>
<thead>
<tr>
<th>Ownership Type</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No equity stake</td>
<td></td>
</tr>
<tr>
<td>Minority shares</td>
<td></td>
</tr>
<tr>
<td>Majority shares</td>
<td></td>
</tr>
<tr>
<td>Wholly owned</td>
<td></td>
</tr>
</tbody>
</table>

See Annex 3, item 15.
PARTNER LEGAL STATUS
(Indicate number of partners in each category and differentiate, when applicable, between unregulated and regulated financial institutions)

<table>
<thead>
<tr>
<th>Banks (microfinance or traditional)</th>
<th>Banks (rural)</th>
<th>Cooperatives/ Credit Union</th>
<th>Nonbank Financial Institutions</th>
<th>Nonprofit (NGO)</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Unregulated Regulated</td>
<td>Unregulated Regulated</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

See Annex 3, item 16.

TARGET CLIENTS of partners at time of initial entry
(Indicate number of partners in each category)

<table>
<thead>
<tr>
<th>Majority of clients in households earning less than US$1/day per household member</th>
<th>Majority of clients in households earning more than US$1/day per household member</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

See Annex 3, item 17.

Describe the relationship of the NSO to its partners, considering the criteria and process for network affiliation, performance standards, monitoring, process and experience of sanctioning and/or disaffiliating partners, and depth of engagement with each partner. Discuss tacit or written agreements, including memorandums of understanding (MOUs) and/or contracts, between the NSO and its partners. Pay particular attention to provisions of such MOUs or contracts that ensure mutual accountability. Describe the ways in which partners contribute to the NSO (membership fees, personnel, other in-kind contributions).
Summarize this information in the charts below.

DEPTH OF ENGAGEMENT with partners
See Annex 3, item 14.

- Broad engagement (regular contact and collaboration)
- Mix of broad engagement and concentrated relationships
- Concentrated relationships (dedicated service agreement)

NSO-WIDE STANDARDS for affiliation and disaffiliation, such as performance standards
See Annex 3, item 18.

- Standards led by NSO
- Standards led by partners
- Not applicable

IMPLEMENTATION OF STANDARDS
See Annex 3, item 19.

- Standards enforced through public disclosure
- Standards enforced through peer/network review
- Standards not enforced (or no standards)

Does a breach of standards result in disaffiliation? Has a breach of standards resulted in the disaffiliation of a partner or partners? Explain.

DISCLOSURE OF INFORMATION about partners, including financial performance and outreach
(Indicate number of partners in each category)

- Network does not provide information
- Network discloses summary partner performance
- Network discloses partners’ audited financial statements and operational information

See Annex 3, item 20.
Is the performance of NSO partners available on public Internet resources? If yes, where?

Evaluate the following:

- **Choice of partners.** Based on the NSO’s mission and comparative advantages, to what extent is the NSO working with partners through which it can have the greatest impact?
- **Standards.** Are performance standards clearly conveyed to partners? Is partner performance effectively measured against these standards? To what degree does the NSO require independent verification of partners’ operational and financial reports through external audits, ratings, and/or on-site monitoring?
- **Ownership.** Evaluate the NSO’s strategy (minority versus majority ownership) and objectives with respect to partner ownership. How effective has the NSO been in pursuing its strategy? Evaluate the benefits and risks of partner ownership for the NSO. How does partner ownership affect NSO operations, its balance sheet, and long-term strategy? Does the NSO have an appropriate exit strategy?
- **Partner participation.** To what extent do NSO partners participate in NSO governance, strategic decisions, operations, and activities? Evaluate the quality, significance, and effectiveness of partner participation and other contributions to the network and NSO.
- **Accountability.** Evaluate the degree to which the rights and obligations of the NSO and its partners are defined. How effective are existing measures for ensuring mutual accountability?
- **Expansion.** Evaluate the NSO’s ability to expand the network. What are the main challenges to adding new partners? How do NSO policies, including expectations of ownership and control, impact its ability to expand the network? Evaluate the NSO’s strategy for expansion vis-à-vis its comparative advantages.
- **Termination or disaffiliation.** Evaluate policies and procedures for termination or disaffiliation of partners. To what degree are these policies enforced? If possible, cite examples.

3.2 Partner Perceptions of the NSO

For this module, summarize the information gathered in partner interviews, plus any feedback the NSO has obtained with respect to partner satisfaction. Describe how partners characterize the value added to their operations by the NSO, both directly through NSO services and indirectly through NSO affiliation. Where appropriate, provide examples to illustrate perceptions.

Evaluate the following:

- **Impact:** To what extent do partners identify themselves with the NSO? To what extent does the sense of belonging to a bigger organization help partners define their mission

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9 Governance is covered in section 4.2 under “NSO Services.”

10 The analyst may adapt elements of the Interview Guide for NSO Partners (see Annex 3) to help gather information from various partners as described in Step 6 of the Methodology.
and purpose? To what extent do partners attribute their NSO affiliation to improvements in the overall quality and performance of their institutions?

- **Access.** Evaluate the frequency and quality of NSO and partner interaction. According to partners, do NSO management and staff interact and communicate appropriately and effectively? Is the NSO responsive and open to feedback?

- **Competence.** Do partners find NSO staff and management qualified? In the eyes of partners, do they understand the strategic and technical issues of microfinance and the needs of partner institutions? What do partners consider the core competencies of the NSO?

- **Services.** From the partners’ point of view, which NSO services are most effective and why? Have there been any problems (e.g., technical quality, speed, reliability)? Have these problems been resolved to partner satisfaction?

- **Costs.** To what extent do partners find NSO services cost effective versus the alternatives (if applicable)?

### 3.3 NSO Inputs and Impact on Partners

To capture NSO inputs and impact on the quality and performance of NSO partners, compile in Table 3.1 all relevant information gathered on selected NSO partners through partner visits, interviews, and analysis of relevant documentation. The information and analysis can be compiled in the Summary Analysis Report or a relevant adapted format.

<table>
<thead>
<tr>
<th>Partner (name)</th>
<th>Input(s)</th>
<th>Cost(s)</th>
<th>Impact</th>
<th>Trend in Performance</th>
</tr>
</thead>
</table>
| **stage of development** | • services  
• activities  
• intensity of relationship  
• time period | • financial costs  
• staff time | • NSO point of view  
• Partner point of view | • Outreach and/or financial performance indicators |

...
In this table, capture the impact or added value of the NSO on a partner-by-partner basis. Gather data relating to NSO inputs and their associated cost (measured in NSO staff time, financial expense, etc.). Information on NSO impact should be obtained from the point of view of both the NSO and its partners. You may find it useful to look at trends in a variety of partner performance indicators to get a sense of whether the NSO is actually helping its partners expand their outreach and improve their financial performance. Draw conclusions about the NSO’s overall impact on partners and the overall cost effectiveness of its partner relationships. Because your conclusions will be largely subjective, they should be supported to the greatest extent possible with relevant facts from the appraisal process.

You may choose to compare overall inputs to outputs on a network basis. Given available information, choose the best proxies for network-wide inputs and outputs. For example, compare total donor, government, and private funding given to the NSO and its partners to the total loan portfolio of NSO partners. While this approach emphasizes credit over other financial services offered by NSO partners, the loan portfolio is one proxy that provides some measure of the extent to which financial resources reach clients of NSO partners.

It may be useful to compare the performance of selected NSO partners with industry benchmarks of the MicroBanking Bulletin (see Table 3.2). The MBB uses a peer group framework based on three indicators: region, scale of operations, and target market. Select the appropriate peer group and benchmark indicators in consultation with the NSO. Note areas in which partners outperform their peer group and/or areas in which they lag behind. Consider the relative importance of partners’ network affiliation to the quality and performance of their institutions, as compared to their peers. When comparing partners with MFIs of their respective peer groups, select mature partners or partners with which the NSO has had deep engagement over long periods. Such comparisons may yield more relevant information as to the overall capacity and impact of the NSO on its partners.

1 Microfinance Consensus Guidelines: Definitions of Selected Financial Terms, Ratios, and Adjustments for Microfinance (CGAP 2003) is a good source of indicators that measure outreach and financial performance of MFIs. However, you may want to use indicators already tracked by the NSO and its partners.
Table 3.2. Partner performance vs. MicroBanking Bulletin benchmarks

<table>
<thead>
<tr>
<th>Indicator</th>
<th>NSO partners vs. MBB benchmark for relevant peer group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Loan</td>
<td>NSO partners MBB benchmark</td>
</tr>
<tr>
<td>Average Deposit (if applicable)</td>
<td>NSO partners MBB benchmark</td>
</tr>
<tr>
<td>Breadth of Outreach</td>
<td>NSO partners MBB benchmark</td>
</tr>
<tr>
<td>Profitability</td>
<td>NSO partners MBB benchmark</td>
</tr>
<tr>
<td>Portfolio Quality</td>
<td>NSO partners MBB benchmark</td>
</tr>
</tbody>
</table>

*Note: Indicators shown are for illustrative purposes and should be adapted as needed.*

Evaluate the following:

★ **Performance Trends.** Evaluate trends in partner outreach and financial performance. What are the principal drivers of these performance trends? How do the NSO partners compare to their peer groups?

★ **NSO Role.** What is the NSO’s overall level of engagement with partners? How does the NSO help partners improve their outreach and financial performance? How strongly does the NSO role correlate to trends in partner outreach and performance?
Chapter Four

NSO Services and Performance

Analysis of NSO services is another way to evaluate the performance of an NSO. This section should answer the question: To what extent does the NSO provide quality services that further its mission, are relevant to its partners, and contribute to the broader microfinance industry? The analyst will need to select those modules relevant to the NSO being appraised and adapt them to the particular context. Certain services, such as knowledge management, research and development, and policy advocacy, may not only impact partner performance, but contribute to the microfinance industry as a whole.

4.1 Overview of NSO Services
Use the chart below to depict the NSO’s level of effort in various service categories. Indicate number of partners that receive each specific service from the NSO. The chart should be adapted as needed. Compare your findings with the NSO’s mission, work plan, budget, and relationships with partners.

LEVEL OF EFFORT committed directly by the NSO to its partners
(Indicate number of partners that receive each specific service from the NSO)

<table>
<thead>
<tr>
<th>Governance Start-up and Transformation</th>
<th>Institutional Services</th>
<th>Technical Services</th>
<th>Financial Services</th>
<th>Knowledge Management</th>
<th>Research Development</th>
<th>Policy Advocacy</th>
<th>Other</th>
</tr>
</thead>
</table>

See Annex 3, item 21.
If “Other” is indicated, specify the service.
4.2 Governance of Partners
Use the chart below to describe NSO strategy and objectives with respect to its governance of partners and the degree of overall NSO influence on partners.

**GOVERNANCE of partners by NSO**
(Indicate number of partners in each category)

<table>
<thead>
<tr>
<th>No role</th>
<th>Ex-officio role</th>
<th>Noncontrolling interest</th>
<th>Controlling interest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

See Annex 3, item 23.

Evaluate the following:

* **Effectiveness.** Evaluate the impact of the NSO’s governance services on partners. (Give examples where appropriate.) Would partners benefit from more or less NSO participation in governance?

* **Strategy and objectives.** Evaluate the NSO’s strategy (no role, ex-officio role, noncontrolling interest, or controlling interest) and objectives, as well as recent trends with respect to governance of partners. How effective has the NSO been in pursuing its strategy?

* **Cost.** Evaluate trends in the cost of NSO governance of partners and any impact this cost has on NSO operations.

4.3 Institutional Start-up and Transformation
Describe the NSO’s strategy, process, and objectives with respect to the launch of new MFI partners and the transformation of existing partners into regulated financial institutions.

In the chart below, indicate the number of partners the NSO has launched, the number of partners the NSO has transformed, and the number of partners in the process of transformation.

**INSTITUTIONAL START-UP AND TRANSFORMATION**
(Indicate total historical and current number of partners in each category)

<table>
<thead>
<tr>
<th>Start-ups</th>
<th>Transformed to regulated financial institution</th>
<th>Transformation in process</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

See Annex 3, item 24.
Evaluate the following:

★ **Effectiveness.** How successful has the NSO been in launching and/or transforming partners?

- **NSO capacity.** Evaluate the capacity and expertise of the NSO, both to launch new MFI partners and to transform existing partners into regulated financial institutions.
- **Delivery.** Are start-up and/or transformation services delivered in an appropriate and effective way (e.g., on-site advisor or periodic visits)? Do the timing and duration of services meet partner requirements?
- **Cost.** Evaluate trends in the cost of launching and/or transforming partners. To what extent does the NSO help partners cover these costs? How willing are partners to pay for these services?

### 4.4 Technical Services

Use the charts below to indicate the number of partners that have received each type of technical service in the latest fiscal year, how costs were generally covered, and how technical services were generally delivered. Adapt the charts as necessary.

**TECHNICAL SERVICES: Types of technical services NSO offers to partners**

(Indicate number of partners per category during last fiscal year)

<table>
<thead>
<tr>
<th>Auditing/financial evaluation</th>
<th>Human resources</th>
<th>Information technology</th>
<th>Operation management</th>
<th>Product development</th>
<th>Strategic planning</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>

See Annex 3, item 28a.

If “Other” is indicated, specify the service.

**COST COVERAGE FOR TECHNICAL SERVICES**

See Annex 3, item 28b.
TECHNICAL SERVICES DELIVERY
See Annex 3, item 28c.

Network staff is sole source for technical services
Mix of source for technical service
All technical services outsourced

Describe areas of specialization with respect to technical services. Discuss (1) how decisions are made about which technical services are offered, (2) who provides the services, (3) how services are delivered, and (4) how costs are generally covered (through fees, grants, etc.). Summarize trends relating to the scope and scale of NSO technical services.

Evaluate the following:

- **Effectiveness.** How effective are NSO technical services? Evaluate the impact of these services.
- **NSO capacity.** Evaluate the capacity/expertise of the NSO to deliver different types of technical services. Does the NSO use an effective mix of staff and consultants to deliver services?
- **Partner input.** To what extent do partners identify their technical service needs and select the service provider (from the NSO and/or other sources)?
- **Delivery.** Are the services delivered in an appropriate and effective way (including timing and duration) to meet partner requirements?
- **Cost.** Evaluate trends in the cost of technical services. Are they competitively priced? To what extent does the NSO help partners cover these costs? How willing are partners to pay for these technical services?

### 4.5 Financial Services

Use the chart below to note the current number of partners receiving each type of financial service from the NSO.

**FINANCIAL SERVICES**
(Indicate number of partners receiving each type of service)

<table>
<thead>
<tr>
<th>Brokers or cosponsors funding</th>
<th>Lends to partners</th>
<th>Invests equity in partners</th>
<th>Provides direct grants to partners</th>
</tr>
</thead>
</table>

See Annex 3, item 22.
4.5.1 Brokering and Cosponsoring Funding

Provide details of funds mobilized by the NSO on behalf of partners from both institutional and individual donors, as shown in Table 4.1.

<table>
<thead>
<tr>
<th>Source</th>
<th>Date</th>
<th>Target Partner</th>
<th>Amount (US$)</th>
<th>Terms (incl. restrictions)</th>
<th>Currency</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

Describe the NSO’s fundraising process for partners. Discuss the fundraising efforts of the partners themselves, and compare these efforts to the NSO’s ability to broker resources for them from both international and domestic sources. Note the range of partner liabilities and equity (highest and lowest percentage) sourced through the NSO. Use this percentage as an indicator of partner reliance on NSO-brokered funds. Also note the prevalence of funds tied to NSO services and other such restrictions. Summarize trends in how the NSO brokers and co-sponsors funding.

Evaluate the following:

★ Effectiveness. How effective is the NSO in brokering or intermediating funds for partners? How effective is the NSO’s strategy for pursuing commercial versus subsidized funds? Domestic versus international funds?

• Partner requirements. How dependent are partners on the NSO for funds? To what degree does NSO affiliation enhance its partners’ ability to raise grants, debt, and equity in their home markets and abroad?

• Other NSO activities. Evaluate any other NSO activities or services, such as guarantee facilities, that help foster access to third-party funds.
• Cost. Evaluate trends in the cost of brokering and/or co-sponsoring funding on the part of the NSO. For funding sourced through the NSO, what portion of the total grant remains with the NSO? What portion is transferred to the partner?

4.5.2 NSO Funding Programs for Partners

Describe the objectives, structure, management, governance, funding sources, investment criteria, and performance of NSO grant, lending, and equity programs. Discuss the cost and pricing of the instruments and the risk appetite of the NSO. Include their relation, if any, to the sources of funds. Discuss internal firewalls, controls, and audit procedures that may be in place to separate financial services from other NSO services. Describe the terms of contracts between the NSO and its partners, as well as NSO policies for setting amounts, rates, etc., for funding. Discuss the level of transparency that exists for these programs with partners and other industry stakeholders.

Quantify the grants, loans, and equity funding provided directly by the NSO to its partners in Table 4.2. Summarize trends in NSO funding to partners.

<table>
<thead>
<tr>
<th>Type</th>
<th>Date</th>
<th>Target Partner</th>
<th>Amount (US$)</th>
<th>Terms</th>
<th>Currency</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
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</tr>
<tr>
<td>Loans</td>
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</tr>
<tr>
<td>Subtotal</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Table 4.2. Grants, loans, and equity funding provided by NSO to its partners

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12 For more background, see Enterprising Solutions 2004.
13 Some NSOs manage their finance programs from within the NSO; others have established specialized funding vehicles. This module should be adapted accordingly.
Evaluate the following:

- **Effectiveness.** What is the impact of NSO funding on partners, both in terms of partner outreach and financial performance (e.g., number of clients, overall financial profitability, leverage from other sources, cost of funds, etc.)?

- **Strategy.** Evaluate the NSO’s long-term strategy for any grant, loan, and/or equity programs.

- **Investment criteria.** Does the financial services program have sound and clearly articulated investment criteria? Are partners fully aware of these criteria? Are the criteria evenly applied to all partners? Do the criteria include restrictions, such as limiting investments to partners, that impact performance?

- **Risk appetite.** How willing is the NSO to take a financial risk (e.g., funding partners that do not have other sources of funds)? How do the costs and sources of funds (earned income, individual donations, private institutional donations, public funder funding) impact NSO risk taking? Is there a mismatch between risk appetite and available funds?

- **Management.** How competent is the management of the financial services program and/or investment committee, in terms of their knowledge and skills? How autonomous are financial service operations? Are effective mechanisms in place to ensure management accountability?

- **Systems and controls.** To what extent are financial service accounts and portfolio management independent? How adequate and effective are audit procedures? How effectively does the NSO manage liquidity, credit, currency, operations, and other risks? To what extent does the NSO disclose information on its grants, loans, and/or equity funding to its partners and the general public?

- **Investment vehicle (if applicable).** Evaluate the purpose, structure, capitalization, governance, and management of any NSO investment vehicle (such as an investment fund) for debt and equity. How independent is the investment vehicle from other NSO services? (For example, can the fund invest in nonpartners? How does this affect the NSO?) How adequate and effective are the firewalls, if any, between the investment vehicle and other NSO services? How transparent is any such investment vehicle?

- **Performance of grant program.** Evaluate the grant program in terms of deal flow projections, whether partners reach grant targets, and the cost of administering the program.
• **Performance of loan program.** Evaluate the lending program in terms of deal flow projections and financial performance. Consider liquidity, portfolio quality, efficiency, and profitability. How does the cost of funds to partners compare to that of commercial sources, including domestic rates? To what extent are NSO loans displacing domestic sources of capital with cheaper loans? What are the main factors contributing to the financial performance of the loan program?

• **Performance of equity program.** Evaluate the equity program in terms of deal flow projections. Consider actual versus expected returns. How does the NSO value its equity portfolio? What are the main factors contributing to the financial performance of the equity program? Does the equity program have a realistic exit strategy? If the NSO has ever sold any of its equity positions, evaluate the results.

4.6 Knowledge Management

Describe the NSO’s goals and efforts to promote learning within the network, among partners and other stakeholders, and within the broader microfinance industry. Summarize any trends in NSO knowledge management activities and methods. Indicate learning opportunities that exist for partners in the chart below by checking all appropriate boxes.

KNOWLEDGE MANAGEMENT: Opportunities for transferring lessons learned within the network to other NSO partners and the broader microfinance industry

(Check all appropriate boxes)

<table>
<thead>
<tr>
<th>Case studies</th>
<th>Listserve/virtual meeting</th>
<th>Newsletter</th>
<th>Staff exchanges</th>
<th>Task force/working group</th>
<th>Technical guides</th>
<th>Web site (external)</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

See Annex 3, item 25.

If “Other” is indicated, specify:

Evaluate the following:

★ **Effectiveness.** How effective are NSO knowledge management services? Evaluate the impact of these activities on NSO partners and the broader microfinance industry, citing examples as appropriate.

• **NSO capacity.** Evaluate the capacity/expertise of the NSO to promote learning within
the network, among partners and other stakeholders, and to the broader microfinance industry.

- **Partner input.** To what extent do partners play a role in NSO knowledge management services (knowledge creation, dissemination, etc.)?
- **Delivery.** Are effective mechanisms in place that promote knowledge sharing and lateral learning within the network, among partners and other stakeholders, and within the broader microfinance industry?
- **Cost.** Evaluate trends in the cost of NSO knowledge management services.

### 4.7 Research and Development

Summarize the NSO’s goals and efforts to conduct research, including conducting market research, developing new technologies, identifying new ways to streamline operations, developing new institutional models, and analyzing client impact and/or other relevant work. Summarize trends in NSO research and development activities.

**RESEARCH AND DEVELOPMENT**

(Check all appropriate boxes)

<table>
<thead>
<tr>
<th>Client Impact</th>
<th>Innovation</th>
<th>Market Research</th>
<th>Operations</th>
<th>Technology</th>
<th>Other</th>
</tr>
</thead>
</table>

See Annex 3, item 27.

If “Other” is selected, specify:

Evaluate the following:

- **Relevance.** Evaluate the impact of NSO research and development activities. What innovations has the NSO made within the broader industry? How successful have these innovations been? Give examples where appropriate.
- **NSO capacity.** Evaluate the capacity and expertise of the NSO for research and development.
- **Collaboration.** To what extent does the NSO collaborate with other relevant research and development efforts in the microfinance industry and avoid redundant outputs?
- **Cost.** Evaluate trends in the cost of NSO research and development.
4.8 Policy Advocacy
Describe the NSO’s goals and efforts to promote government policy development in the countries and/or regions in which its partners work. Discuss the NSO’s collaboration with the wider microfinance industry in national and/or international lobbying efforts to influence policy. Summarize any trends in NSO policy advocacy activities.

POLICY ADVOCACY
See Annex 3, item 26.

Evaluate the following:
★ Effectiveness. Evaluate the impact of NSO policy advocacy. Give examples where appropriate.
- NSO capacity. Evaluate the capacity, expertise, and scope of the NSO for policy advocacy.
- Costs. Evaluate trends in the cost of NSO policy advocacy activities.
Chapter Five

Strategic Plan

This section guides the analyst to evaluate whether the NSO is achieving its mission and development strategy. Consider whether the NSO’s plans for the near to medium term are (a) realistic and (b) satisfactory for advancing its strategic objectives. Discuss major changes anticipated by the NSO and its partners.

5.1 Objectives for the Near to Medium Term

Describe the major features of the NSO’s business (shorter term) and/or strategic (longer term) plan(s), if any. Some NSOs have a strategic plan that functions as a business plan. Consider any significant changes between earlier plans and actual performance and the reasons for the variances.

Evaluate the following:

- **Basis.** Evaluate the basis and assumptions for the strategic plan. To what extent does the NSO assess its own strengths and weaknesses? How does this factor into the strategic plan? Does the strategic plan reflect a clear understanding of the state of the microfinance industry? Is it realistic? To what extent are the requirements and performance of partners incorporated into the NSO strategic plan?

- **Focus.** Based on the analyst’s assessment of NSO capacity and past performance, evaluate the business/strategic plan. For NSOs working in a multi-sector context, how does microfinance fit into the organization’s overall plan?

5.2 Projections

Describe any major changes expected in

- NSO and partner performance
- number and type of partners
- funding levels and types
- NSO services
- organizational structure and staffing
- competition
• evolution of the financial sector in countries of operation
• external relations
• other

Evaluate the following:

★ **Partners and services.** Are the NSO’s projected partners and services appropriate given the NSO’s mission?

★ **Growth.** Is the NSO’s projected growth appropriate, given its capacity and opportunities? What are the constraints to NSO growth (e.g., funding, technical capacity, etc.)?

★ **Opportunities and threats.** What are the potential opportunities for and threats to the NSO mission and operations? How well equipped is the NSO to deal with competition, evolution of the financial sector, and changes in available funding and the business environment in the countries where its partners operate?
**Guidance for NSO Appraisals**


Network Support Organization Profiles completed and maintained by several NSOs at www.mixmarket.org in the “Partners” section or in the “Supply” section for organizations that primarily provide funding.

**Other Resources**


**Loan and Equity Fund Evaluations**


33

The following is a sample terms of reference (TOR) for a short (one week) appraisal of an NSO. This less detailed appraisal would be useful for a smaller or younger NSO with fewer NSO partners/members or for a smaller potential amount of grant funding.

It would be appropriate to apply the complete appraisal format only in rare cases of a major funding proposal. When designing an appraisal, the funder should request analysis that is relevant and feasible for the NSO being analyzed—based on the purpose of the appraisal, type of funding being proposed, and other characteristics of the NSO gleaned from other evaluations or informed sources. This sample TOR should be adapted as appropriate.

Annex 1A. Sample Terms of Reference (short version)

The following is a sample terms of reference (TOR) for a short (one week) appraisal of an NSO. This less detailed appraisal would be useful for a smaller or younger NSO with fewer NSO partners/members or for a smaller potential amount of grant funding.

It would be appropriate to apply the complete appraisal format only in rare cases of a major funding proposal. When designing an appraisal, the funder should request analysis that is relevant and feasible for the NSO being analyzed—based on the purpose of the appraisal, type of funding being proposed, and other characteristics of the NSO gleaned from other evaluations or informed sources. This sample TOR should be adapted as appropriate.

Terms of Reference for the Appraisal of
<XXX Network>
<City, Country>
<MM/DD/YYYY>

Background
<Insert basic information about the NSO, including its history, legal status, NSO partners or members, main funders, basic financial and social outreach data, medium-term plans, and other useful information.> This appraisal is <funder>’s due diligence to determine whether to fund <NSO> and, if so, under what conditions.

This assessment will be based on CGAP’s Format for Appraisal of Network Support Organizations. The final analysis will be based on the experience and judgment of the analyst, incorporating input and feedback from <NSO> staff. A request for key financial and management information will be submitted to <NSO> before the appraisal site visit on <date>. Where there are gaps in what the institution can provide, the analyst will use his or her best judgment, given available time and information.
Potential funding
Potential funding from <funder> would be a <grant, loan, etc.> for <purpose, or another targeted initiative based on recommendations from the appraisal team>.

Appraisal analyst
The analyst for the appraisal will be <name>. For a shorter appraisal, one analyst will likely be sufficient, but this should be adapted to fit the context.

The appraisal
The analyst will visit <NSO> in <country> on <dates>. The visit will include meetings with <NSO>’s board of directors, management, and staff at headquarters plus interviews with a sample of NSO partners/members [consider including field visits to NSO partners/members, if appropriate], as well as government or regulatory officials, as needed. In collaboration with <NSO> staff, the analyst will work at <NSO>’s headquarters. During this time, the analyst will verify information presented by <NSO>, conduct selected analyses of issues suggested in CGAP’s appraisal format, and discuss the meetings held with board members, management, staff, <NSO> members/partners, and other stakeholders. The analyses and discussions will be conducted jointly with <NSO> management to promote confidence and build relationships that could eventually lead to a funding agreement.

The appraisal could also include attending an event of the NSO (annual global meeting, regional meeting, training event, etc.) to provide an opportunity to meet several MFI members/partners at one time and observe the interaction between NSO staff and partners.

The appraisal report will use CGAP’s appraisal format as a starting point, with the appraisal team selecting the topics of focus. The following areas are suggested for a short appraisal of approximately one week:

- Summary analysis report and funding recommendation
- Institutional factors
  - Mission, founding and evolution of the NSO
  - Governance and leadership
  - Management
  - Organizational structure and systems
- Partners and NSO impact
- NSO partners and relationships
- Partner perceptions of the NSO
- NSO inputs and impact on partners
- NSO services and performance
  - [Select the relevant services, e.g., governance, institutional start-up and transformation, technical services, financial services, knowledge management, research and development, policy advocacy]
- Strategic plan (objectives and projections)

Once the basic structure of the appraisal has been decided, it can be adapted, as needed, based on the specifications of <funder>.

### Appraisal schedule

The complete appraisal is expected to take <number> days, including <number> days in the country. *The number of days should be based on the level of effort required and the expected length and detail of the appraisal report.* <Name> from <funder> will coordinate the contract. The tentative schedule for the appraisal is as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;Date&gt;</td>
<td>Conference call between &lt;funder&gt; and analyst to discuss TOR</td>
</tr>
<tr>
<td>&lt;Date&gt;</td>
<td>Analyst contacts &lt;name of general manager of NSO&gt; to discuss the appraisal and request the information listed below, including recent financial and outreach data</td>
</tr>
<tr>
<td>&lt;Day 0&gt;</td>
<td>Analyst arrives in &lt;location, country&gt;</td>
</tr>
<tr>
<td>&lt;Day 1&gt;</td>
<td>Analyst meets with &lt;NSO&gt; management and board</td>
</tr>
<tr>
<td>&lt;Day 1–4&gt;</td>
<td>Analyst meets with selected &lt;NSO&gt; staff and interviews a sample of MFI members/partners and other essential stakeholders as needed; completes briefing memo of draft findings, if time allows</td>
</tr>
<tr>
<td>&lt;Day 5&gt;</td>
<td>Analyst has final meetings with &lt;NSO&gt; management and board; departs</td>
</tr>
<tr>
<td>&lt;Date&gt;</td>
<td>Analyst provides draft appraisal report to &lt;funder&gt; and &lt;NSO&gt; for comments and discussion</td>
</tr>
<tr>
<td>&lt;Date&gt;</td>
<td>Analyst provides final appraisal report</td>
</tr>
</tbody>
</table>
Documents to request from NSO before site visit [Smaller or less mature NSO may not have these documents available. The analyst will need to adapt this list to the context.]:

- External reports about the NSO from the previous 3–5 years, such as assessments, evaluations, and impact studies
- Audited financial statements for the previous two years
- Unaudited financial statements for the year to date [When possible, financial and social data should be sent as Excel files.]
- Documentation of the NSO’s external funding including grants, liabilities, and equity
- Organizational chart
- List of directors on the Board, including curriculum vitae, if possible
- Minutes from past three board meetings
- Description of NSO services
- List of MFI partners/members, with contact information
- Relevant financial and social performance data on all MFI partners/members
Sample Terms of Reference (long version)

The following is a sample TOR for a more intensive appraisal of an NSO (2–3 weeks). It would be appropriate to apply the complete appraisal format only in rare cases of a major funding proposal.

When designing an appraisal, the funder should request analysis that is relevant and feasible for the NSO being analyzed—based on the purpose of the appraisal, type of funding being proposed, and other characteristics of the NSO gleaned from other evaluations or informed sources. This sample TOR should be adapted as appropriate.

Terms of Reference for
the Appraisal of
< XXX Network >
<City, Country>

<MM/DD/YYYY>

Background
<Insert basic information about the NSO, including its history, legal status, NSO partners or members, main funders, basic financial and social outreach data, medium-term plans, and other useful information.> This appraisal is <funder>’s due diligence to determine whether to fund <NSO> and, if so, under what conditions.

This assessment will be based on CGAP’s Format for Appraisal of Network Support Organizations. The final analysis will be based on the experience and judgment of the analyst, incorporating input and feedback from <NSO> staff. A request for key financial and management information will be submitted to <NSO> before the appraisal site visit on <date>. Where there are gaps in what the institution can provide, the analyst will use his or her best judgment, given available time and information.
Potential funding
Potential funding from <funder> would be a <grant, loan, etc.> for <purpose, or another targeted initiative based on recommendations from the appraisal team>.

Appraisal analysts
The analysts for the appraisal will be <names>. [For a more detailed and substantial appraisal, a team of 2–3 analysts may be required. Each analyst could bring different strengths, such as an organizational development specialist, microfinance/access to finance specialist, evaluation specialist, etc.]

The appraisal
The analyst(s) will visit <NSO> in <country> on <dates>. The visit will include meetings with <NSO>’s board of directors, management, and staff at headquarters plus interviews with NSO partners/members [consider including field visits to NSO partners/members, if appropriate], as well as government or regulatory officials, as needed. In collaboration with <NSO> staff, the analyst(s) will work at <NSO>’s headquarters. During this time, the analyst(s) will verify information presented by <NSO>, conduct selected analyses of issues suggested in CGAP’s appraisal format, and discuss the meetings held with board members, management, staff, <NSO> members/partners, and other stakeholders. The analyses and discussions will be conducted jointly with <NSO> management to promote confidence and build relationships that could eventually lead to a funding agreement.

For a more complete appraisal, it is recommended that the analyst(s) attend an event of the NSO (annual global meeting, regional meeting, training event, etc.) to provide an opportunity to meet several MFI members/partners at one time and observe the interaction between NSO staff and partners. This will also facilitate interviews with a good range of MFI members/partners.

The appraisal report will use CGAP’s appraisal format as a starting point, with the appraisal team selecting which of the following topics to focus on:

- Summary analysis report and funding recommendation
- Institutional factors
  - Mission, founding, and evolution of the NSO
  - Governance and leadership
  - Management team
• Organizational structure
• Human resources
• Financial management
• Information and reporting systems
• Industry role and perceptions
• Partners and NSO impact
  • NSO partners and relationships
  • Partner perceptions of the NSO
  • NSO inputs and impact on partners
• NSO services and performance
  • [Select the relevant services, e.g., governance, institutional start-up and transformation, technical services, financial services, knowledge management, research and development, policy advocacy]
• Strategic plan
  • Objectives for near to medium term
  • Projections

Once the basic structure of the appraisal has been decided, it can be adapted, as needed, based on the specifications of <funder>.

Appraisal schedule
The complete appraisal is expected to take <number> days, including <number> days in the country. [The number of days should be based on the level of effort required and the expected length and detail of the appraisal report.] <Name> from <funder> will coordinate the contract. The tentative schedule for the appraisal is as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;Date&gt;</td>
<td>Conference call between &lt;funder&gt; and analyst(s) to discuss TOR</td>
</tr>
<tr>
<td>&lt;Date&gt;</td>
<td>Analyst(s) contacts &lt;name of general manager of NSO&gt; to discuss the appraisal and request the information listed below, including recent financial and social data of NSO and its members/partners</td>
</tr>
<tr>
<td>&lt;Day 0&gt;</td>
<td>Analyst(s) arrives in &lt;location, country&gt;</td>
</tr>
<tr>
<td>&lt;Day 1&gt;</td>
<td>Analyst(s) meets with &lt;NSO&gt; management and board</td>
</tr>
<tr>
<td>&lt;Day 2–5&gt;</td>
<td>Analyst(s) meets with selected &lt;NSO&gt; staff</td>
</tr>
</tbody>
</table>
<Day 6–13> Analyst(s) interviews MFI members/partners and other essential stakeholders as needed. [This step should be adjusted to reflect the network size and maturity. In addition, more time will be needed for field visits to MFI partners, if this is included as part of the appraisal.]

<Day 14> Analyst(s) completes briefing memo of draft findings

<Day 15> Analyst(s) has final meetings with <NSO> management and board; departs

<Date> Analyst(s) provides draft appraisal report to <funder> and <NSO> for comments and discussion

<Date> Analyst(s) provides final appraisal report

Documents to request from NSO before site visit

- External reports about the NSO from the previous 3–5 years, such as assessments, evaluations, and impact studies
- Annual report plus audited financial statements for the previous two years
- Unaudited financial statements for the year to date [When possible, financial and social data should be sent as Excel files.]
- Documentation of the NSO’s external funding including grants, liabilities, and equity
- Organizational chart
- List of board of directors, including curriculum vitaes, if possible
- List of committee memberships of board of directors (if board has committees)
- Minutes from past three board meetings
- Description of NSO services
- List of MFI partners/members with contact information
- Relevant financial and social performance data on all MFI partners/members
- Relevant sample of NSO publications, research, or other materials
- Other internal reports on MFI partners/members, NSO activities, etc., as relevant
This scorecard is designed as a reference tool to help an analyst prepare the final report of an appraisal. It is not necessarily intended to be included in the final report to the commissioning organization. The analyst should use the scorecard while working through the different modules of the format to rate the NSO in each of the evaluative categories found in the format.

A simple scoring system such as G, A, NI, and N/A for good, adequate, needs improvement, and not applicable is recommended. However, the scores should not be simply tallied, because some categories may carry greater weight than others, depending on the focus of the appraisal. A completed scorecard will highlight an NSO’s strengths and weaknesses and thereby help the analyst prepare the final report.
<table>
<thead>
<tr>
<th>Category</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outputs</td>
<td></td>
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<tr>
<td>Usefulness</td>
<td></td>
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<tr>
<td>Transparency</td>
<td></td>
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<tr>
<td><strong>2.10 Industry Role and Perceptions</strong></td>
<td></td>
</tr>
<tr>
<td>Role</td>
<td></td>
</tr>
<tr>
<td>Access</td>
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<td>Competence</td>
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<td>Services</td>
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<tr>
<td>Impact</td>
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<tr>
<td><strong>3 Partners and NSO Impact</strong></td>
<td></td>
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<tr>
<td><strong>3.1 NSO Partners and Relationships</strong></td>
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<tr>
<td>Choice of partners</td>
<td></td>
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<tr>
<td>Ownership</td>
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<tr>
<td>Partner participation</td>
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<td>Standards</td>
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<td>Accountability</td>
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<tr>
<td>Expansion</td>
<td></td>
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<tr>
<td>Termination or disaffiliation</td>
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<tr>
<td><strong>3.2 Partner Perceptions of NSO</strong></td>
<td></td>
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<tr>
<td>Access</td>
<td></td>
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<tr>
<td>Competence</td>
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<td>Services</td>
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<td>Cost</td>
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<td>Impact</td>
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<tr>
<td><strong>3.3 NSO Inputs and Impact on Partners</strong></td>
<td></td>
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<tr>
<td>Trends in performance</td>
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<tr>
<td>NSO Role</td>
<td></td>
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<tr>
<td><strong>4 NSO Services and Performance</strong></td>
<td></td>
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<tr>
<td><strong>4.2 Governance of partners</strong></td>
<td></td>
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<tr>
<td>Strategy and objectives</td>
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<tr>
<td>Cost</td>
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<tr>
<td>Effectiveness</td>
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<tr>
<td><strong>4.3 Institutional start-up and transformation</strong></td>
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<tr>
<td>NSO capacity</td>
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<tr>
<td>Delivery</td>
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<tr>
<td>Cost</td>
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<td>Effectiveness</td>
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<td><strong>4.4 Technical services</strong></td>
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<tr>
<td>NSO capacity</td>
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<tr>
<td>Partner input</td>
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<td>Delivery</td>
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<td>Cost</td>
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<td>Effectiveness</td>
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<tr>
<td><strong>4.5 Financial services</strong></td>
<td></td>
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<tr>
<td><strong>Brokering and cosponsoring funding</strong></td>
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<tr>
<td>Partner requirements</td>
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<tr>
<td>Other NSO activities</td>
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<tr>
<td>Cost</td>
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<tr>
<td>Effectiveness</td>
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<tr>
<td>NSO funding programs for partners</td>
<td></td>
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<tr>
<td>Strategy</td>
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<tr>
<td>Investment criteria</td>
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<td>Risk appetite</td>
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<tr>
<td>Management</td>
<td></td>
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<tr>
<td>Systems and controls</td>
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<td>Investment vehicle</td>
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<td>Performance (grants)</td>
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<td>Performance (loans)</td>
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<td>Performance (equity)</td>
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<tr>
<td>Effectiveness</td>
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<tr>
<td><strong>4.6 Knowledge management</strong></td>
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<tr>
<td>NSO capacity</td>
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<tr>
<td>Partner input</td>
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<td>Effectiveness</td>
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<tr>
<td>Category</td>
<td>Rating</td>
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<td></td>
<td>G  A  NI N/A</td>
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<tr>
<td>Delivery</td>
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<td>Cost</td>
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<tr>
<td>Effectiveness</td>
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<td><strong>4.7 Research and development</strong></td>
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<tr>
<td>NSO capacity</td>
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<td>Collaboration</td>
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<td>Costs</td>
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<td>Relevance</td>
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<td><strong>4.8 Policy advocacy</strong></td>
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<tr>
<td>NSO capacity</td>
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<tr>
<td>Cost</td>
<td></td>
</tr>
<tr>
<td>Effectiveness</td>
<td></td>
</tr>
<tr>
<td><strong>5 Strategic Plan</strong></td>
<td></td>
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<tr>
<td><strong>5.1 Objectives for near to medium term</strong></td>
<td></td>
</tr>
<tr>
<td>Focus</td>
<td></td>
</tr>
<tr>
<td>Basis</td>
<td></td>
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<tr>
<td><strong>5.2 Projections</strong></td>
<td></td>
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<tr>
<td>Partners and services</td>
<td></td>
</tr>
<tr>
<td>Growth</td>
<td></td>
</tr>
<tr>
<td>Opportunities and Threats</td>
<td></td>
</tr>
</tbody>
</table>
Network Support Organization Profile
The Network Support Organization Profile highlights key dimensions of NSO operations and then differentiates them using a series of spectrums. The profile was developed with NSO leaders in a consultative process launched at a workshop sponsored by SEEP and CGAP in October 2002 and continuing through June 2003. The profile was finalized in consultation with the MIX in May 2004.

NETWORK SUPPORT ORGANIZATION PROFILE
CGAP advocates Network Support Organizations (NSOs) as an effective means for funders to engage in microfinance. Broadly speaking, NSOs are organizations whose primary function is to develop their institutional partners. NSO partners are typically microfinance institutions, banks, or other organizations that offer financial services to the poor. NSO partners may also share knowledge and information among themselves. The combination of the NSO and its partners forms what is commonly known as a microfinance network. Funders with limited staff or technical capacity can leverage their time and funds by investing in well-managed NSOs that may be in a better position to provide direct financial and technical assistance to MFIs. NSOs have played a critical role in launching new institutions, developing standards, wholesaling funds, providing technical services, implementing knowledge management, and leading policy reform efforts. However, NSOs have as many differences as similarities, and many people are confused by their variety and diversity. This profile seeks to uncover the key features of individual NSOs.
<FULL NAME of NSO (ACRONYM)>

NSO Institutional Factors

1. History, purpose, and mission
(How, when, and by whom the NSO was established; how it has evolved over time; development strategy; target clients; and social focus)

2. Organizational Focus

Does the NSO support multiple sectors, independently of microfinance?

3. Geographic Focus

Comments:

4. Regional Presence: Areas where the NSO operates and/or has partners
(Indicate number of partners in each region)

<table>
<thead>
<tr>
<th>Sub-Saharan Africa</th>
<th>Asia</th>
<th>Latin America</th>
<th>Eastern Europe, Central Asia, NIS</th>
<th>Middle East, North Africa</th>
<th>North America, Western Europe</th>
</tr>
</thead>
</table>

Number: 

See Annex 3, item 4.
5. Budget for most recent FY

6. NSO sources of funds
(Indicate the percentage relative to total for most recent FY)

<table>
<thead>
<tr>
<th>Public Grants</th>
<th>Private Donations</th>
<th>Investment Loans</th>
<th>Membership Income</th>
<th>Membership Fees</th>
<th>Earned Income</th>
<th>Other</th>
</tr>
</thead>
</table>

7. NSO uses of funds
(Indicate the percentage relative to total for most recent FY)

Expenses linked to delivering services to partners:

<table>
<thead>
<tr>
<th>Institutional</th>
<th>Knowledge Management</th>
<th>Research and Development</th>
<th>Technical Services</th>
<th>Other</th>
</tr>
</thead>
</table>

If “Other” is indicated, specify the service.

General NSO expenses
(Indicate the percentage relative to total for most recent FY)

<table>
<thead>
<tr>
<th>Administration</th>
<th>Fundraising</th>
<th>Other</th>
</tr>
</thead>
</table>

If “Other” is indicated, specify the expense.
8. Number of total full-time staff (or full-time staff equivalent)

9. Number of full-time staff dedicated to microfinance (or full-time staff equivalent)

NSO Partners

10. Description of partners/members/affiliates (Depending on the relationship between the NSO and the organizations with which it works, different terms are used to describe this relationship. For the purposes of this profile, “partner” will represent all of these relationships, including members and affiliates.)

11. Number of partners

12. Percentage of partners with positive Return on Assets (ROA)

13. Total number of active clients of partners

14. DEPTH OF ENGAGEMENT with partners

15. NSO OWNERSHIP of partners
(Indicate number of partners in each category)
16. PARTNER LEGAL STATUS
(Indicate number of partners in each category and differentiate, when applicable, between unregulated and regulated institutions)

<table>
<thead>
<tr>
<th>Banks (microfinance or traditional)</th>
<th>Banks (Rural)</th>
<th>Cooperatives/ Credit Union</th>
<th>Nonbank Financial institutions</th>
<th>Nonprofit (NGO)</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unregulated</td>
<td>Unregulated</td>
<td>Unregulated</td>
<td>Unregulated</td>
<td>Unregulated</td>
<td></td>
</tr>
<tr>
<td>Regulated</td>
<td></td>
<td>Regulated</td>
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</tr>
<tr>
<td>See Annex 3, item 16</td>
<td></td>
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</tr>
</tbody>
</table>

17. TARGET CLIENTS of partners at time of initial entry
(Indicate number of partners)

- Majority of clients in households earning less than US$1/day per household member
- Majority of clients in households earning more than US$1/day per household member

18. NSO-WIDE STANDARDS for affiliation and disaffiliation, such as performance standards

- Standards led by NSO
- Standards led by partners
- Not applicable

19. IMPLEMENTATION OF STANDARDS

- Standards enforced through public disclosure
- Standards enforced through peer/network review
- Standards not enforced (or no standards)
Does a breach of standards result in disaffiliation? Has a breach of standards resulted in the disaffiliation of a partner or partners? Explain.

20. DISCLOSURE OF INFORMATION about partners, including financial performance and outreach (Indicate number of partners in each category)

| Network does not provide information | Network discloses summary partner performance | Network discloses partners’ audited financial statements and operational information |

Is the performance of NSO partners available on public Internet resources? If yes, where?

NSO SERVICES

21. LEVEL OF EFFORT committed directly by the NSO to its partners
(Indicate number of partners that receive each specific service from the NSO)

<table>
<thead>
<tr>
<th>Institutional</th>
<th>Start-up</th>
<th>Knowledge</th>
<th>Financial Services</th>
<th>Governance</th>
<th>Management</th>
<th>Policy and Technical Services</th>
<th>Research</th>
<th>Development</th>
<th>Services</th>
<th>Other</th>
</tr>
</thead>
</table>

If “Other” is indicated, specify the service.
22. FINANCIAL SERVICES
(Indicate number of partners receiving services in each category)

<table>
<thead>
<tr>
<th>Brokers or co-sponsors funding</th>
<th>Lends to partners</th>
<th>Invests equity in partners</th>
<th>Provides direct grants to partners</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

23. GOVERNANCE of partners by NSO
(Indicate number of partners receiving services in each category)

<table>
<thead>
<tr>
<th>No role</th>
<th>Ex-officio role</th>
<th>Noncontrolling interest</th>
<th>Controlling interest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

24. INSTITUTIONAL START-UP AND TRANSFORMATION
(Indicate total historical and current number of partners in each category)

<table>
<thead>
<tr>
<th>Start-ups</th>
<th>Transformed to regulated financial institution</th>
<th>Transformation in process</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>
25. KNOWLEDGE MANAGEMENT: Opportunities for transferring lessons learned within the network to other NSO partners and the broader microfinance industry
(Check all appropriate boxes)

If “Other” is indicated, specify the approach.

26. POLICY ADVOCACY: Engagement of NSO staff and partners in policy advocacy with national governments and bank supervisors.

Active in funder country(ies) policy
Policy advocacy in select developing country(ies)
Global effort with dedicated staff and resources

27. RESEARCH AND DEVELOPMENT: Conduct market research and develop new technologies, identify ways to streamline operations, develop new institutional models and products (innovation), analyze impact.
(Check all appropriate boxes)

If “Other” is indicated, specify the topic.
28a. TECHNICAL SERVICES: Types of technical services NSO offers to partners.
“Technical services” refers to consultancy, training, advisory services etc.
(Indicate number of partners receiving services in each category for latest FY)

<table>
<thead>
<tr>
<th>Auditing/Financial Evaluation</th>
<th>Human Resources</th>
<th>Information Technology</th>
<th>Operation Management</th>
<th>Product Development</th>
<th>Strategic Planning</th>
<th>Other</th>
</tr>
</thead>
</table>

If “Other” is indicated, specify the service.

28b. COST COVERAGE FOR TECHNICAL SERVICES

- Network subsidizes full cost of technical services
- Partner pays partial fees
- Partner pays full cost

28c. TECHNICAL SERVICES DELIVERY

- Network staff is sole source of technical services
- Mix of sources for technical service
- All technical services outsourced
The Interview Guide for NSO Partners has been prepared for use during interviews with NSO partners. As part of any NSO evaluation, analysts should interview a significant, representative sample of partner directors, managers, and to the extent possible, partner staff—individually or in groups—during visits or by telephone. The analyst, rather than the NSO, should select which partners to interview, ensuring that these partners represent a diverse cross-section of the network.

This Interview Guide should be tailored to fit the particular characteristics of the NSO being appraised, as well as those of its partners. Interviewees should be assured that all responses will be treated confidentially and presented anonymously to NSO management.
Interview Guide for NSO Partners

All responses will be treated confidentially and presented anonymously to NSO management.

<table>
<thead>
<tr>
<th>Name:</th>
<th>Where appropriate, rate the NSO on the following basis:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 very poor</td>
</tr>
<tr>
<td></td>
<td>2 poor</td>
</tr>
<tr>
<td></td>
<td>3 good but needs improvement</td>
</tr>
<tr>
<td></td>
<td>4 good</td>
</tr>
<tr>
<td></td>
<td>5 outstanding</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year first employed:</th>
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</table>

<table>
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<tr>
<th>Position(s) held:</th>
<th></th>
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<tr>
<th>Date:</th>
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</table>

Section 1. Relationship with NSO

1. NSO Parameters

- How would you characterize the nature of your relationship with the NSO? Comment on this experience.
- What information and/or performance standards exist within the NSO (peer accreditation, ratings process)? How were they developed? Was your institution involved?
- How often and what type of information do you provide (financial, operational, impact, etc.) to the NSO? What analysis or comments does the NSO provide in response?
- Has anyone from your institution participated in the NSO’s board or advisory committees? Comment on this experience.
- Do you negotiate an annual work plan for services with the NSO? If so, when do you evaluate progress?
- How often do you participate in NSO events and activities? What is your level of engagement?
- How would you rate your network participation experience? 1 2 3 4 5
- Do you have recommendations for improvement?

2. Communication

- How often do NSO staff call, email, and/or visit your institution? Are these communications adequate?
- How do you provide feedback to the NSO? What is the NSO’s openness to feedback?
- Has the NSO conducted a satisfaction survey? How often?
- Do you have recommendations for improvement?
3. Criteria and Costs

• What are the criteria for NSO membership?
• What are the consequences if these criteria are not met? Have you ever not met the criteria? If so, what happened?
• Have any partners been disaffiliated from the NSO? If so, what was the process? How did the NSO conduct itself in this situation? Was the disaffiliation merited?
• What are the costs of participating in the NSO, including membership and other fees, fees for services, in-kind, and time (in staff days)? List each category separately and give the membership benefits for these costs/fees. What additional financial contributions would you be willing to pay?

4. Other affiliations

• Besides the NSO, are you affiliated with other NSOs? Specify.
• How would you compare the NSO with other NSOs? Why did you choose to affiliate with each NSO?

Section 2. NSO Capacity

1. NSO Structure

• Is the NSO’s organizational structure adequate for its operations? (e.g., centralized, decentralized, etc.)
• How does the NSO structure impact your relationship with the NSO?

2. NSO Staff

• How qualified and knowledgeable are NSO staff?
• How would you rate them overall? 1 2 3 4 5
  Do you have recommendations for improvement?

Section 3. NSO Services

(This section should be adapted for relevant NSO services.)

1. Governance

• Describe the NSO’s formal and informal governance role in your organization, including its level of formal and de facto influence, judgment, attendance, presence on committees of the board, etc.)
• How would you **rate the quality** of the NSO’s governance role? 1 2 3 4 5
  Do you have recommendations for improvement?

2. Technical Services (including training)

  • What **types** of technical services have you received (start-up, transformation, product development, human resource review, information technology training, strategic planning, rating, other)?
  
  • What **percentage** of your technical services (including training) is provided by the NSO?
  
  • What other sources have you used (or researched)?
  
  • What factors influence your choice of technical service provider?
  
  • How much have you paid for NSO technical services compared with cost of services provided by other sources? How does the cost of NSO services affect your decision to select the NSO as a technical service provider? What percentage of the **total cost** of NSO-provided services do you pay?
  
  • What role does your institution play in requesting and **designing** technical services from the NSO? Are the tasks, needed competencies, and goals clearly defined?
  
  • How would you **rate the quality** of the NSO’s technical services? 1 2 3 4 5
  Do you have recommendations for improvement?

3. Financial Services

  • What percentage of your funding sources comes **directly** from the NSO? What percentage is influenced by being an NSO affiliate, including co-sponsoring/ brokering applications? (Include grants, loans, equity, other financial services.)
  
  • Describe the **process of receiving funds from or through the NSO**, including management of disbursements, flexibility, and conditions of different funds received. How do these conditions compare to funding from other sources?
  
  • How would you **rate the financial services** provided by the NSO? 1 2 3 4 5
  Do you have recommendations for improvement?

4. Knowledge Management

  • How often do you receive **written materials** from the NSO, including newsletters, reports, updates on partner performance, publications, and tools? Do you think this is too much, not enough, or about right?
• Have you ever participated in a knowledge management event (e.g., staff exchange or an NSO conference) to facilitate exchange among partners? What percentage of the total cost did you pay to attend this event? Do you have recommendations for improvement?

• How would you rate the NSO in this area? 1 2 3 4 5
Do you have recommendations for improvement?

5. Research and Development
• What innovations has the NSO developed with its partners? How does the NSO incorporate innovations developed by its partners?
• To what extent do you use products, services, and operating procedures developed by the NSO?
• How would you rate the NSO in this area? 1 2 3 4 5
Do you have recommendations for improvement?

6. Policy Advocacy
• Has the NSO played a role in the national/regional policy dialogue on microfinance in your country or supported your work in this area? Describe.
• How would you rate the NSO in this area? 1 2 3 4 5
Do you have recommendations for improvement?

Section 4. Overall NSO Evaluation

• What are the greatest advantages of being affiliated with the NSO?
• Are there any disadvantages to being affiliated with the NSO?
• How would you characterize the depth of engagement of the NSO with your organization?
• What are the NSO’s greatest strengths? Weaknesses?
• How relevant are the NSO’s services to your organization?
• How cost effective do you find its services to be?
• How would you characterize the overall impact the NSO has had on your organization? To what extent do you attribute your affiliation with the NSO to the quality and performance of your organization?
• What is your overall rating of the NSO? 1 2 3 4 5
• Do you have any final comments?
Annex 5. Interview Guide for Industry Stakeholders

The Interview Guide for Industry Stakeholders has been prepared for use during interviews with funders, government officials, and other relevant stakeholders (such as other NSOs, private sector collaborators, etc.). As part of any NSO evaluation, the analyst should, to the extent possible, interview a significant, representative sample of stakeholders. The analyst should make the final selection of which stakeholders to interview after consulting the NSO for appropriate contacts.

This guide should be tailored to fit the particular mandate of the evaluation. Interviewees should be assured that all responses will be treated confidentially and presented anonymously to NSO management. The guide should be adapted as needed, depending on the nature of the relationship between the stakeholder and the NSO.
Interview Guide for Industry Stakeholders

All responses will be treated confidentially and presented anonymously to NSO management.

Name: 

Year first contact with NSO:

Date:

Where appropriate, rate the NSO on the following basis:

1  very poor
2  poor
3  good but needs improvement
4  good
5  outstanding

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Section 1. Relationship with Industry

1. Participation
   • How do you work/collaborate with the NSO? Provide any comments on this experience.
   • Have you ever participated in an NSO event or activity? What was your level of engagement? What was the purpose? How would you rate the event? 1 2 3 4 5
   • Has or does anyone from your institution participate in the NSO’s board or advisory committees? Comment on this experience.

2. Communication
   • How often and in what capacities do you communicate with NSO staff?
   • How available and responsive do you find the NSO?
   • How would you rate the NSO as a resource and point of contact? 1 2 3 4 5

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Section 2. NSO Operations

1. NSO Structure
   • Is the NSO’s organizational structure appropriate for its operations?
   • How does the NSO structure impact your relationship with the NSO?
2. NSO Staff
- How qualified and knowledgeable are NSO staff?
- How would you rate NSO staff overall? 1 2 3 4 5

Section 3. NSO Services
(This section should be adapted for relevant NSO services.)

1. Governance
- What is your perception of the NSO’s ability to provide ownership and governance services to its partners?
- How would you rate the quality of NSO governance? 1 2 3 4 5
  Do you have recommendations for improvement?

2. Technical Services (including training)
- What is your perception of the NSO’s ability to provide technical services to its partners?
- How would you rate the quality of NSO technical services? 1 2 3 4 5
  Do you have recommendations for improvement?

3. Financial Services
- Have you ever provided funding directly to the NSO or through the NSO to one of its partners? Describe any positive or negative experiences.
- How would you rate the NSO’s ability to source and offer financial services to partners? 1 2 3 4 5
  Do you have recommendations for improvement?

4. Knowledge Management
- How often do you receive written materials from the NSO, including newsletters, reports, updates on partner performance, publications, and tools? Do you think this is too much, not enough, or about right?
- How would you rate the NSO in this area, in terms of contributions to partners and the industry as a whole? 1 2 3 4 5
  (Note if there is any major discrepancy between how you rate NSO services for partners and for the industry as a whole.) Do you have recommendations for improvement?
5. Research and Development

• What **innovations** are you aware were developed by the NSO with its partners?
• How would you **rate the NSO** in this area, in terms of contributions to partners and the industry as a whole? 1 2 3 4 5
  (Note if any major discrepancy between how you rate NSO services for partners and for the industry as a whole.) Do you have recommendations for improvement?

6. Policy Advocacy

• Has the NSO played a role in the national/regional **policy dialogue** on microfinance in your country or supported your work in this area? Describe.
• How would you **rate the NSO** in this area, in terms of impact on partners and the industry as a whole? 1 2 3 4 5
  Do you have recommendations for improvement?

<table>
<thead>
<tr>
<th>Section 4. Overall NSO Evaluation</th>
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<tbody>
<tr>
<td>• What are the three greatest <strong>strengths</strong> of the NSO?</td>
</tr>
<tr>
<td>• What are the three greatest <strong>weaknesses</strong> of the NSO?</td>
</tr>
<tr>
<td>• How <strong>relevant</strong> are the NSO’s services to its partners and the microfinance industry?</td>
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<td>• How would you <strong>rate</strong> your overall experience with the NSO? 1 2 3 4 5</td>
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<td>• Do you have any <strong>final comments</strong></td>
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The Consultative Group to Assist the Poor (CGAP) is a global resource center for microfinance standards, operational tools, training, and advisory services. Our 33 members—including bilateral, multilateral, and private donors—are committed to building more inclusive financial systems for the poor. For more information about CGAP or microfinance, visit www.cgap.org.