

ESAF REWARDS STAFF FOR ACHIEVING SPM TARGETS

ESAF Small Finance Bank (India) put in place social performance targets for branch staff. These targets are analyzed on a quarterly basis and reported to the head of the Operations department as well as to the board. ESAF is revising its incentive system around these targets. Each branch will receive an overall score and the best branch will be rewarded.

1) *Social targets*

Reach the poor	80% of new clients are “poor,” living on INR 8,000 (US \$125) per month or less
Reach woman	At least 10% of the clients should be women- headed households
Reach rural people	Portfolio is 70% rural
Reach PWD	At least 1% of clients should be people with disabilities (PWDs)
Increase clean water	All 4th-cycle loan clients should have at least one water purification method
Increase toilets	All 4th-cycle loan clients should have access to a toilet (their own, a nearby public toilet, or other sanitary facility)
Improve housing	The number of 4th-cycle loan clients with cement (“pucca”) homes should be, on average, 25% greater than the number of cement homes among new clients
Reduce economic poverty	The poverty level of 4th-cycle loan clients should be, on average, 25% lower than the poverty level of those same clients at entry, as measured by the Progress out of Poverty Index (PPI)
Increase health insurance	At least 25% of 4th-cycle loan clients should have health insurance cover (whether through the government or a private provider)

2) **“SPM Audit” from each branch in the region (parameters listed below)**

- Client social profiles (e.g., poverty data) are complete
- Exit client surveys are filled out
- Complaint/suggestion box is visible and maintained
- Client receipts (for payments made) are all signed by the client
- The following are on display: interest rates, complaints information, manager contact information
- Client passbooks are filled out
- The branch office is orderly and clean

3) **Client satisfaction survey scores**

- 4) **Staff behavior:** Cases of staff violations of the Code of Ethics will lower the branch’s overall score.

5) **Client transformation stories:** Each branch must report to the SPM Department one client transformation story per month. The client should be in his/her 4th loan cycle or greater. The story must describe the following elements:

- The client's family (spouse, parents, children) and their occupations
- The client's home (# of rooms, flooring, walls) and any changes to the house during the client's tenure with ESAF
- The client's income-generating activity, monthly earnings, and ability to employ others
- Any investments (gold, land, property, household appliances, animals, etc.) during the client's tenure with ESAF
- Some important family and business decisions that the client made in the past year
- The client's plans for the future (business, family, investments, etc.)
- The client's feelings about whether s/he is a respected person in his/her household and community.

Completion data for non-financial services: Data on clients participating in ESAF's Client Empowerment and Education Program, which teaches financial literacy, health, awareness, leadership, and business skills.