

## SPTF Social Investor Working Group

March 10, 2022

### Update CERISE: SPI Online + SDG Lab/LabODD (Cécile Lapenu from CERISE)

#### SPI Online

- CERISE has launched the second version of the SPI Online platform and are currently working on the user experience to improve the navigation and explanations
- There will also be a joint website where you have all the information for implementing the Universal Standards and joint history from CERISE+SPTF
  - The joint platform may move beyond just information on financial inclusion to include tools for agriculture or digital organizations
- SPI4 and ALINUS are still available with benchmarks and technical resources, but there will be updated tools available by Q4 to report on 2022 data next year.

#### SDG Lab ODD

- CERISE, SPTF, and the European Microfinance Platform worked together to develop a guidance note on outcomes management for financial services providers, aligned with the SDGs.
  - This guidance note shares the recent trends influencing outcomes management, the challenges that remains and looks to explain how to use valuable data to improve outcomes measurement.
- CERISE is also building an “Outcome” dashboard for SPI Online aligned the SDGs, specifically SDG 8: Economic Growth, SDG 1: No Poverty, and SDG 5: Gender Equality.
  - CERISE hopes to better analyze all the data available related to gender (i.e., share of women borrowers, share of staff, share of women in management positions and number of women on the board.) They are looking to identify the key outcome indicators in assessing women’s economic empowerment.
- **Safeya Zeitoun (Tameo Impact Fund Solutions):** For the outcomes data collection, is it expected that it will come directly from the MFIs who are using the SPI tool?
- **[Cécile Lapenu (CERISE) continues]:** Basically, the reporting on outcomes can be captured in SPI. We are working with service providers like 60 decibels to help collect some standard outcome indicators. We are also working with the SPM professional network, all those that guide financial service providers in the field, either as SPI qualified auditors or client protection assessors pushing them further to guide on data collection and analysis at the client level.
- We also have projects with investors such as Incofin and other people around the table. The idea is to simplify and standardize the language in questionnaires and also build local capacities to collect, analyze and report on the data. The goal is to have the data in the SPI and make sure the summary of those data is aligned with the SDGs. This would allow financial service providers to share their results in terms of outcomes for the clients on a regular basis to their board or to their management, or to their external stakeholders.

### Analysis of Feedback from Investors on the Client Protection Pathway (Ally Ryder from SPTF)

- Last month, we had a call on the CP Pathway, so feel free to check out the February recording on our investor page for more details.

#### CP Pathway Survey Learnings (12 responses)

- *Sign-Up*
  - 3 have more than 20% of investees who signed up

- 4 have less than 20% of investees who signed up
- 5 don't know
- *Requiring CP Commitment to Implement*
  - 8 require CP Commitment to implement
  - 2 require assessment
  - 2 require taking action to improve
- *Communications Kit*
  - 6 have used our comms kit to invite investees to join the pathway
  - 4 have not used comms kit
  - 2 are not sure
- *Suggestions*: improve web info, have more training material, more engagement with Latin America (the pathway will be available in Spanish soon)

### Discussion

- **Christophe**: Is there going to be an event to explain the updates made to the new Universal Standards?
- **Jurgen Hammer (SPTF)**: It's a good question. I think some of the changes are more obvious than others, such as adding the new 7<sup>th</sup> dimension, but you are right others might be more subtle. We will work to integrate this into the communications plan for the release of the new standards.

### Discussion on Ukraine and ECA – Responsible Crisis Management (Frank Streppel from Triodos Investment Management)

#### Update on Situation in Ukraine

- The people we are trying to support with our financial services are suffering. It also affects our people and the organizations we are financing who have friends, family, or colleagues in Ukraine. Triodos is financing financial institutions in three different cities in Ukraine: Kharkov, Kiev, and Lviv. The locations are far apart and are therefore affected differently by the conflict.
- Sanctions against Belarus and Russia have a big impact on the countries' economies. Other countries in the region are suffering as well. Remittances from Europe are a major part of the national income for countries such as Tajikistan or Kyrgyzstan, and those streams are being impacted.
- One of the most immediate impacts has been on exchange rates and the availability of hedging. It is making it difficult to avoid putting the currency risk on the borrower.
- This is not something that just stops in Eastern Europe. We see massive changes in commodity prices around the world, so we are keeping countries that are vulnerable to these changes on our radar. Sri Lanka and India are already coping with high levels of inflation, and they are heavy importers of commodities, so inflation will increase further.
- I think most people on the call would agree that the way we addressed the liquidity crisis during COVID is applicable here. We have shown that cooperation is in our collective best interest.
- **Apricot Wilson (Luxembourg Microfinance and Development Fund)**: We are invested in Central Asia but not in the Eastern European region, so our immediate concern has been the knock-on banking relationships. This is where we think we see the first problems start to emerge. The dependency on remittances in the Central Asia region certainly stood out to us, and I think we will see institutions coming under increased pressure. I hope that investors will offer similar support to that during COVID in this context.
- **Frank Streppel (Triodos Investment Management)**: We have subscriptions to databases that update the organizations and individuals being sanctioned so that we can stay informed. We would not have any direct relationships with the sanctioned

organizations because it would likely be our clients who have banking relationships with those affected. We had to go to our clients directly and ask about these relationships. We are happy to share the questions we ask our clients.

- **Apricot Wilson (LMDF):** In a different geography, we had found that one of the local lenders to an institution ended up on the sanctions list. The response was that this loan should be paid right away so that the contractual relationship ended. Since creditors in Russia are providing financing quite widely in the region, what should the response be if we find that a creditor is on the sanctions list?
- **Frank Streppel (Triodos Investment Management):** We don't see that a lot of the organizations that we are financing have relationships with Russian banks. We would encourage people who are using Russian banks to send home remittances to work with other banks. I would also encourage MFIs not to have deposits at sanctioned banks.
- **Jurgen Hammer (SPTF):** All of you should send me the questionnaires you are using, and we could combine them into one simplified version that everyone uses.

### **Closing Remarks**

- Join our newsletter to stay informed about upcoming events, tools and resources. You can download the newest Universal Standards that were released in March 2022.
- If any investors have additional feedback on indicators after today's discussion, please email Jurgen Hammer: [jurgenhammer@sptfnetwork.org](mailto:jurgenhammer@sptfnetwork.org)