

## SPTF Social Investor Working Group Minutes – October 7, 2020

Visit the Social Investor Working Group's [webpage](#) to find minutes from other SIWG meetings and details for the next call. Email Katie Hoffmann at [katiehoffmann@sptf.info](mailto:katiehoffmann@sptf.info) with any questions.

### **General announcements**

- SPTF will hold board elections for one of its social investor representative seats later this month.
  - The elected representative will:
    - Serve as one of two social investor representatives on the SPTF Board of Directors
    - Serve as the co-chair for the SIWG (along with Emmanuelle Javoy of Symbiotics)
    - Serve for two years, with the option to renew for an additional one to two years.
  - If you're interested in being a candidate, email Jurgen Hammer ([jurgenhammer@sptfnetwork.org](mailto:jurgenhammer@sptfnetwork.org)) by October 9.
  - SPTF will email the list of candidates and bios to the SIWG in mid-October. Voting will be open until the end of October.
  - Voting is only open to those who have been SPTF organizational members or SPTF collaborating members within the past two years. Only one vote is allowed per organization. If you have questions about your membership status, please email Jurgen.
- The [latest draft](#) of the reasonable covenants is available on the SIWG webpage.
  - Thank you to all the investors who participated in the sub-group focused on reasonable covenants and who submitted feedback.
  - The document aims to clarify how COVID affects rescheduling and restructuring, how to manage breaches, and how to responsibly monitor and collect data. The draft does not aim to redefine the covenants themselves, as they are already accepted in the industry.
  - The draft has been shared with the MFI coalition and FIEC; they have not responded yet.
  - SIWG will revisit the draft in early 2021, after more examples of use cases are available.
  - Incofin is rolling out the covenant guidelines on a case-by-case basis, specifically for waiver requests. They could collect case studies to share with the group on implementation.

### **Investor roundtable on Client Interview Tool**

- SPTF will be hosting four upcoming workshops on using client insights to drive crisis response and recovery. Much of the data is derived from the [COVID-19 Client Interview Tool](#).
  - For FSPs: October 8 (English) and October 12 (Spanish)
    - Open invitation to FSPs that are collecting client data related to COVID impact.
    - Discussions to include overview of global trends from Client Interview Tool, understanding differences in context and client segments, and strengthening capacity for data analysis (Case study from Peru)
  - For investors: November 10, 9am-11am EST
    - CGAP will share perspectives from Pulse survey (4 rounds data collection, 300+ FSPs)
    - “Goldfish bowl” discussion by three investors that have commissioned 60 Decibels for three rounds of data collection from 15 FSPs: What are the insights from the data? How are investors responding? What are the challenges/limitations for response? How do investors work effectively with FSPs?
  - For investors and FSPs: November 12, 9am-11am EST
    - How should the sector respond to create a sustainable recovery?
      - What does data show about effects on clients, differences in context/experience?
      - What are the limitations for responding?
      - What should each stakeholder be doing?
- Aggregated Client Interview Tool data available via a [60 Decibels dashboard](#) and an [SPTF video](#).

### **Next steps for client protection**

- The Rating Working Group met for the first time earlier today.

- The objective of the group, led by CERISE and SPTF, is to align raters' future client protection evaluation products after the end of Smart Certification. MicroFinanza Rating, MicroRate, M-CRIL, Inclusion [Social Ratings] and M2i are part of the group.
- On the call, the raters agreed on a need for a harmonized and aligned client protection evaluation methodology.
- MicroFinanza Rating developed a proposed methodology, which was circulated for feedback.
- The seven, high-level Client Protection Principles will remain under the domain of CFI, which will focus more on research and away from implementation. CERISE and SPTF will maintain and update the client protection standards – the operational practices needed to implement the high-level client protection concepts.
- Instead of “endorsement,” SPTF proposes calling it a “commitment to implement the Universal Standards (or the client protection subset of the Universal Standards.)”
  - SPTF has never pursued endorsements. It wanted FSPs to focus on continual improvement.
  - Additionally, SPTF thinks any assessment tied to this commitment should include aspects of governance. Otherwise, it could be viewed as a checkmark, as opposed to a commitment embedded in the organization.
  - Meeting poll: seven out of nine respondents said the change corresponds the same or better to their needs, compared with the previous version of endorsement.
- Proposed pathway for client protection:
  - Step 1: The FSP commits to implement the Universal Standards (or the client protection subset of the Standards), and its name is published on the SPTF website, under the category “pending self-assessment.”
  - Step 2: Within 3-6 months, the FSP posts a self-assessment on SPI online and its own website. The SPTF website updates the list of committed FSPs, listing the date the self-assessment was submitted.
  - Step 3: The FSP updates this self-assessment every 18 months to 2 years, and this information is updated on the website.
  - Step 4: The FSP can post other steps toward improved client protection practices, such as links to an external assessment or a Social Rating, on the website.
  - Step 5: If the FSP is “certified” (or whatever term is to be used in the future for the post-Smart Campaign client protection evaluation products), the information will also be made available on that same page.
  - Participants agreed with the general pathway but raised a few questions to consider:
    - Should the FSP have to reach a minimum score in its self-assessment to be listed as a committed FSP on the website?
    - Should the self-assessment be based off ALINUS?
    - How would the self-assessment overlap with regulatory requirements?
- Emmanuelle Javoy called for volunteers to be part of a sub-group to continue discussing these questions and the proposed pathway. The sub-group would:
  - Refine pathway. Consider the questions posed today and in previous sessions, as well as discussions with the raters, SPTF, CERISE, and FSPs.
  - Set timeline. Smart Certification is ending in April 2021.
  - Develop funding model. SPTF and CERISE do not have any current funding to do this work and are not inheriting any funding for client protection work when Smart Campaign closes.
  - If you're interested in joining this sub-group, email Jurgen Hammer at [jurgenhammer@sptfnetwork.org](mailto:jurgenhammer@sptfnetwork.org).