

SPTF Social Investor Working Group Minutes – May 27, 2020

Overview

The SPTF Social Investor Working Group (SIWG) is meeting biweekly to coordinate efforts regarding COVID-19. Below are minutes from our May 27 call. Visit SIWG's [webpage](#) to find minutes from past meetings and details for our next call. Email Katie Hoffmann at katiehoffmann@sptfnetwork.org with any questions.

Stress test examples

- BFA Global's FinnSalud program, which focuses on measuring the financial institutions in Mexico, has developed a stress test for cooperatives to use during the COVID crisis. The test is:
 - Designed to help cooperatives predict solvency and liquidity issues during the pandemic's different phases. It simulates different levels of deposits, withdrawals, and defaults.
 - An online tool ([download here](#))
 - Replicable and adaptable. It's meant to be used widely by as many cooperatives as possible.
- DWM shared two tools:
 - A stress tool for debt investees to get a quick assessment on their liquidity position and how quickly their cash positions will erode in the next 3-6 months based on different scenarios.
 - An equity stress tool that is meant to give management teams a snapshot of the current portfolio risk profile, including potential impact from COVID.
- For more information on the DWM tools, contact Ashwin Mahabaleswara at ashwinm@dwmarkets.com.

DFI response to COVID-19 crisis

- EDFI, which is composed of 15 European DFIs, set up a task force that meets weekly to:
 - Monitor data and triage clients according to their needs
 - Align approaches to payment deferrals and contract changes in response to COVID
 - Streamline processes to respond to client needs more quickly
 - Set up risk-sharing facilities and co-investment vehicles between members
 - Exchange experiences with stress testing
- The task force is open to partnerships and is coordinating with MIVs involved in the MOU and the pledge.
- EDFI Management Company works as a fund manager and service provider with three lines of business; 1) blended finance facilities (focused on companies that have a lot of potential but are too small or too risky to be served by larger development banks); 2) risk-sharing facilities; 3) co-financing to enhance efficiency of DFIs
- Andree Simon of FINCA noted the critical need for industry-wide benchmarks and views on markets to better assess the actual trends of portfolio performance. Data collection will be important.

Emergency liquidity facility from responsAbility

- ResponsAbility is developing an emergency liquidity facility focused on saving jobs in developing countries. It is targeting \$1 billion for the facility, which will:
 - Provide liquidity to MSMEs via financial institutions. It will not loan directly to MSMEs.
 - Take about 80% of the MSME risk, and the financial institution would take the remaining 20%.
 - Mostly work with financial institutions that responsAbility already knows. ResponsAbility is open to including investees of other MIVs.
- For more information, contact Carolina de Azevedo at carolina.deazevedo@responsAbility.com.

Update on implementation of MIV MOU, Pledge, CAT

- ADA has created a common Excel file for signatories to the [pledge](#) to share information about TA being provided to investees, as well as to share resources and tools. The goal is to identify opportunities for coordination and avoid duplication. Email Benedicte Godefroid (b.godefroid@ada-microfinance.lu) to join.
- New signatories:
 - [Pledge](#): Gawa Capital, Kiva, Microfinance African Institutions Network, Azerbaijan Microfinance Association
 - [MOU](#): SIMA, BIB