

## SPTF Social Investor Working Group Minutes – July 15, 2020

### Overview

The SPTF Social Investor Working Group (SIWG) is meeting regularly to coordinate efforts regarding COVID-19. Below are minutes from our July 15 call. Visit SIWG's [webpage](#) to find minutes from past meetings and details for our next call. Email Katie Hoffmann at [katiehoffmann@sptfnetwork.org](mailto:katiehoffmann@sptfnetwork.org) with any questions.

### Update on responsAbility's emergency liquidity facility

- ResponsAbility is aiming to mobilize liquidity support for end-borrowers via financial institutions. The risk of the end borrower exposure would be assumed by the facility.
- It is making progress, but it's a slower process than responsAbility anticipated. It has received soft commitments of \$200 million from DFIs.

### Update on implementation of MOU, Pledge, and CAT

- Have been implementing the Pledge over the past 3 months; GCAF took a sample of 20 rollovers for MFIs and checked principles of the pledge. It found:
  - International lenders have successfully coordinated and have handshake agreements, in cooperation with the MFIs
  - International lenders have provided reasonable period relief and have committed to a common reporting in most cases; however, they should remain vigilant on hedging costs.
  - International lenders have requested a commitment or transparency from the MFI on client and staff protection in about half of the cases; they have rarely encouraged MFIs to perform client field investigations and have rarely discussed TA topics
  - MFIs benefiting from a rollover may access new debt funding if they request it and their risk level is not too high.
- Next steps for the Pledge:
  - GCAF will share the Excel tool that was developed to track implementation.
  - In September, the group will publish an article on progress and challenges with the pledge.
- Kiva translated the Crisis Assessment Tool into French and Spanish. Translations can be found [here](#).
- The investor sub-group focused on defining reasonable covenants during COVID met first the first time earlier this month. It plans to create brief guidelines on covenants and responsible monitoring. Catch up on minutes from the sub-group's first meeting [here](#).

### Incofin implementation of SPM Crisis Checklist

- Incofin used SPTF's SPM Crisis Checklist to identify 10 key SPM aspects that it should focus on during remote due diligence during the pandemic. It linked each of these key aspects to existing SPI4 indicators, which was already a part of its due diligence. The 10 indicators, ordered by dimension, are:
  - Dimension 2: **2A2**. Board of directors hold FSP accountable to mission and social goals **2C2**. FSP trains and evaluates staff on its social and financial performance responsibilities.
  - Dimension 3: **3A1**. FSP seeks information on clients' needs and preferences **3B3**. Products are designed to reduce client risks **3B2**. Products are designed to reduce barriers to financial inclusion
  - Dimension 4: **4B2**. FSP communicates with clients at appropriate time, through appropriate channels **4C3**. Loans collected in an appropriate manner **4D1**. Client data is secure and confidential
  - Dimension 5: **5A4**. FSP assesses and tries to mitigate staff health and safety risks
  - Dimension 6: **6A1**. FSP has policy on sustainable target growth that considers growth capacity, institutional sustainability, and social goals
- After identifying these risks and indicators, Incofin trained investment officers to look at these SPM risks with a COVID-19 lens. It also created a dedicated section in its investment notes aimed at bringing awareness of SPM to investment committees.

### Announcements

- E-MFP held a call to present the results of the special edition survey. Challenges facing FSPs include client repayment, liquidity (ranked 3<sup>rd</sup>), expanding digital finance, and clients' livelihood.
- The Impact Management Project launched ICS and is inviting fund managers to work with them to classify their funds.