

Crisis Checklist

based on the Universal Standards for SPM

Which Standards should FSPs focus on when designing a response to the current crisis?



During this unprecedented time, financial service providers (FSPs) and their low-income consumers are under tremendous strain and facing difficult trade-offs.

This checklist aims to help financial institutions prioritize decision points that allow them to keep their clients at the center and protect their staff, which will help them survive the immediate crisis. For guidance in implementing the Essential Practices referenced below please consult the [SPTF's Implementation Guide](#).



Dimension 2: Ensure Board, Management, and Employee Commitment to Social Goals

EP #	Essential Practice (EP)	Rationale	What will you do?
2A.4	The board is responsible for preserving the provider's social mission during times of institutional change.	This crisis is a time of intense change for the institution and its clients. The board needs to be informed about what is happening with the employees and the clients so it can make quick decisions that support preserving the employees' and clients' economic and physical health.	<i>Example</i> – call an emergency meeting of the board to discuss the institution's response to the crisis. Make sure to ask: Is our response aligned with our social mission? Does our response specifically address the needs of our target clientele?"
2C.3	Employee incentives promote progress toward the provider's social goals.	Remove or modify staff performance metrics, as appropriate given the crisis. Communicate this change to staff.	<i>Example</i> – Eliminate metrics that evaluate loan officer performance on items like number of home visits, number of new clients, etc.



Dimension 3: Design Products, Services, and Delivery Channels that Meet Clients' Needs and Preferences

EP #	Essential Practice (EP)	Rationale	What will you do?
3A.1	The provider seeks information on clients' needs, preferences, and experiences for product design and delivery.	Seek new information on clients' needs given the crisis. Segment clients to understand how the crisis is affecting them in different ways.	<i>Example</i> – conduct phone-based surveys or use social media channels to understand how clients are doing and what they need. SPTF has a tool ¹ to help FSPs gather this data.
3B.3	The provider's products and services are designed to reduce client risks.	Deploy existing products, services, and channels to reduce client risk - both in terms of physical health and financial need. Based on the results of the client surveys (3a.1), adapt product offering to help clients manage risk, keeping in mind client capability. Additional measures should be put in place to reduce risk of fraud for clients during the crisis.	<i>Examples</i> – If digital disbursements or repayments are an option, consider a strategy to responsibly promote wider adoption (keeping in mind client capability). Consider partnering with a government-to-person (G2P) social protection program to distribute relief payments to your clients. Allow clients with CDs to cash them out early with minimal or no penalties.
3B.6	The provider monitors the risks associated with agents and networks and addresses problems.	If the FSP uses agents, it must be aware of the risks associated with the use or scaling up these networks during the crisis, especially given clients' current desperation and their low level of financial and technological literacy.	<i>Example</i> – Ensure a channel is in place to receive client questions and complaints on agents, and that clients know how to use it. Be aware of how the crisis is affecting agent incentives e.g. where policymakers are requiring that transaction fees be waived, especially on digital transactions, it can result in agents withdrawing and the service becoming less available.

¹ <https://www.covid-finclusion.org/post/introducing-the-covid-19-client-interview-tool>



Dimension 4: Treat Clients Responsibly

EP #	Essential Practice (EP)	Rationale	What will you do?
4A.3	The provider's senior management and board monitor the market and respond to heightened over-indebtedness risk. (Client Protection standard 2.3)	The crisis creates a systemic heightened risk of over-indebtedness. Management and the board need to develop a response to this risk. When possible, coordinate with industry initiatives, national associations, and regulators to advocate for a coherent approach.	<i>Example</i> – restructure loans for clients whose businesses are closed, write off loans for clients who die or are bankrupt from the pandemic etc. If applicable, ensure that bundled health or life insurance policies are honored.
4B.3	The provider takes adequate steps to ensure client understanding and support client decision making. (Client Protection standard 3.3)	Communicate frequently with clients about how they can stay healthy and any changes to the FSP's policies affecting the client's repayment schedule or access to products. If clients will access emergency loans or may restructure their loans, these processes may be unfamiliar. Also, with digital channels, educating clients is key to building their trust in both the institution and the new technology.	<i>Example</i> – Communicate changes due to the crisis e.g. new opening hours for branches (see UIMCEC Senegal), new conditions for accessing loans or savings, etc. Reach out to clients to discuss options for restructuring loans based on the client's situation, see Fundación Paraguaya . ²

² <https://sptf.info/recursos-en-espanol>



Dimension 4: Treat Clients Responsibly

EP #	Essential Practice (EP)	Rationale	What will you do?
4C.3	Loans are collected by staff and collection agents in an appropriate manner. (Client Protection standard 5.3)	In-person collections may be impossible for a time and will likely be unadvisable for a few months. Whether by phone or in person, once collections resume, empathy will be necessary in the conversations with clients around repaying or rescheduling their loans. FSPs should track the effect of the crisis by client segments and geographies so repayment guidelines can be tailored to match how each segment is affected.	<p><i>Example</i> – Provide grace periods (see Amret in Cambodia), rescheduling, or loan forgiveness as appropriate, based on the client’s circumstances. Collateral should not be seized during the crisis.</p> <p>Establish criteria for resuming collections and train staff on the new protocol. Work with the national association of FSPs or an industry initiative to align these criteria, if possible, to help preserve a strong credit culture.</p>
4D.1	Client data is kept secure and confidential. (Client Protection standard 6.1)	As digital channels are scaled up in response to the crisis, the safety and security of client’s digital information and transactions becomes increasingly relevant. FSPs should be alert to fraud and cybersecurity threats locally and educate clients about how to avoid them . ³	<p><i>Example</i> – Send clients messages that educate them on what digital channels are available to them, what information would need to be shared to use those channels, and how both the institution and the client can safeguard it.</p>

³ <https://www.cgap.org/research/publication/fraud-mobile-financial-services>



Dimension 5: Treat Employees Responsibly

EP #	Essential Practice (EP)	Rationale	What will you do?
5A.4	<p>The provider assesses employees' health and safety risks and takes steps to mitigate them before they occur.</p> <p>The provider investigates, documents, and reports all occupational incidents (i.e., accidents, injuries, and diseases) that occur.</p>	<p>The institution needs to modify its operations in order to keep staff safe and may need to suspend field work for a time. When field work resumes, staff will likely need protective equipment and training on how to protect their health. See SPTF's video⁴ on how to treat staff responsibly during the pandemic. See MicroSave's comic⁵ - style health education materials for staff.</p>	<p><i>Example</i> – Since the virus is so contagious, staff should be allowed to work from home where possible. Providers should take appropriate steps to protect client data and records when staff work from home. Social distancing, face masks and frequent cleaning of high use surfaces are among the new protocols that should be implemented.</p>
5B.1	<p>Employees receive clear documentation related to their job responsibilities and performance evaluation.</p>	<p>Staff's ability to work, their tasks, and their compensation may all be changing during the crisis; therefore, the institution should offer regular communication about those changes to staff to allay fears and boost morale.</p> <p>Adapt policies and procedures to protect staff and clients, while maintaining operations as much as possible.</p>	<p><i>Example</i> – Staff's responsibilities should be modified to help the institution respond to the crisis. For example, loan officers who cannot work in the field can call clients to check on their health and maintain rapport with the clientele. Staff working from home can carry out phone surveys to gather information on how the crisis has impacted the clients and their businesses, which will inform the institution's response.</p>

⁴ <https://www.loom.com/share/9f236d715b854e8db49a53b09238079b>

⁵ <https://www.microsave.net/wp-content/uploads/2020/04/MS-C-MFI-Employee-Comic-on-Corona.pdf>



Dimension 6: Balance Financial and Social Performance

EP #	Essential Practice (EP)	Rationale	What will you do?
6A.1	The provider has a policy on sustainable target growth rates that considers the provider's growth capacity, institutional sustainability, and social goals.	Growth targets will have to be adjusted in light of the crisis. External factors influencing growth rates include the impacts of the crisis on clients' economic opportunities; internal factors include number and mobility of staff.	<i>Example</i> – Fundación Paraguaya ⁶ projects it will be a year to return to pre-crisis levels of business. It chose to retain its complete staff with full pay to make that recovery possible as quickly as possible.
6B.2	The provider engages with funders whose expectations for financial returns, timeframe and exit strategies are aligned with the provider's social goals and stage of development.	Conversations with funders on restructuring current loans will be necessary. These conversations may also include how to address liquidity issues and the terms for infusions of new capital.	<i>Example</i> – Nine leading MIVs have entered into an MOU ⁷ designed to coordinate their response to the pandemic. The MOU also outlines their commitment to refinancing in the short- to medium-term for their investees.
6B.3	The provider protects the liabilities it has to clients.	If the institution offers savings it needs to make that savings available to the clients easily and safely.	<i>Example</i> – Work with investors so the FSP has enough liquidity to allow all clients to access their savings during the crisis.
6C.2	The provider's pricing policy is aligned with the interest of clients. (Client Protection standard 4.2)	Social investors should not raise the prices for restructured loans, so that FSPs can extend this flexibility to their own clients without incurring a penalty.	<i>Example</i> – A group of investors, led by Grameen Credit Agricole, have signed a Pledge agreeing to common principles, including ongoing coordination on liquidity, client centricity, responsibility to staff, information sharing and Technical Assistance.

⁶ <https://sptf.info/recursos-en-espanol>

⁷ https://sptf.info/images/2020-04-24_MIV_Covid-19_coordination_MoU.pdf