

## The role of the SPTF in achieving the UN’s Sustainable Development Goals

In September 2015, the United Nations General Assembly adopted the 2030 Agenda for Sustainable Development, along with a new set of development goals called the Sustainable Development Goals (SDGs).



The most immediate link between the work of the SPTF in responsible inclusive finance and the SDGs is with **SDG 1, “No poverty”**. Links with other SDGs (2,3,5,8) can also be drawn.

### How does the work of the Social Performance Task Force (SPTF) relate to the SDGs?

#### Introduction to the SPTF

The SPTF is a global membership organization of 200+ organizations and 2,700+ individuals that work to promote a responsible financial inclusion sector where customers are put at the center of all operational and strategic decisions of financial service providers (FSPs). How do we do this?

- We engage with stakeholders across the financial inclusion sector to develop, disseminate, and promote standards (“[Universal Standards](#)”) and good practices that put clients at the center of all strategic and operational decisions of FSPs.
- We provide materials, resources and trainings to help implement, support, and promote the adoption of the Universal Standards for Social Performance Management ([Universal Standards Manual](#), [Universal Standards Implementation Guide](#), [Resource Center](#), [Online training series](#)).
- We promote the uptake of free social assessment tools ([SPI4](#) and [SPI4 ALINUS](#) – fully aligned to the Universal Standards) and we coordinate with rating agencies to align their frameworks to the Universal Standards.
- We collaborate with partner organizations (such as The Smart Campaign, Cerise, GIIN/IRIS/GIIRS, UNPRI) to harmonize efforts and reduce confusion in the industry, in order to ensure that customers remain at the center.

- We are developing practical guidelines for managing social [outcomes](#) and defining social outcome indicators in specific areas of the financial inclusion sector so that we can go beyond intent and measure social impact.

As CGAP notes, *financial inclusion means that formal financial services are readily available to consumers and that they are actively and effectively using these services to meet their specific needs.* The resources and tools provided by the SPTF (through the work of our members) help assess the practices of FSPs and whether consumers are actively and effectively using financial services. The work of SPTF does not stop at “access” to financial services; it goes further by helping stakeholders understand the effectiveness of the financial services and the outcomes experienced by clients.

### **The Universal Standards for Social Performance Management**

In 2012, as a result of a deeply consultative 18-month process among a broad range of stakeholders, the SPTF released the Universal Standards for Social Performance Management (Universal Standards), including a comprehensive manual that brings together strong practices implemented successfully across the industry in one document in order to clarify and standardize Social Performance Management (SPM).

Each of the six dimensions of the Universal Standards is based on global best practices from leading organizations, such as responsible labor practices from the ILO and client protection practices from the Smart Campaign. The six dimensions are:

1. Define and Monitor Social Goals
2. Ensure Board, Management, and Employee Commitment to Social Goals
3. Design Products, Services, Delivery Channels and Mechanisms That Meet Client Needs and Preferences
4. Treat Clients Responsibly
5. Treat Employees Responsibly
6. Balance Financial and Social Performance



Today, the Universal Standards are the globally accepted standards in the financial inclusion sector for SPM. According to a 2015 survey<sup>1</sup>, 91% of respondents were “very familiar, familiar, or aware” of the Universal Standards; 75% of FSPs noted the Universal Standards having influenced the implementation of SPM practices; and 45% of FSPs noted having changed practices in their organization after learning about the Universal Standards.

<sup>1</sup> Annual Implementation survey conducted by the SPTF in partnership with the Global Appeal for Responsible Microfinance, the MIX, and the Microcredit Summit Campaign.

## **Link between the work of the SPTF and specific SDGs**

The most immediate link between the work of the SPTF in responsible inclusive finance and the SDGs is with SDG 1, “No poverty”. Links with other SDGs (2,3,5,8), while less direct, can also be drawn.

### **1. NO POVERTY: End poverty in all its forms everywhere (SDG 1)**

Target 1.4: *“By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and **financial services, including microfinance**”*

As noted in the CGAP [paper](#) *“Achieving the Sustainable Development Goals: The Role of Financial Inclusion”*, when people are included in the financial system, they are better able to climb out of poverty by investing in business or education. By providing poor people with services they need to make investments and manage unexpected expenses, financial inclusion facilitates the first SDG.

**The SPTF works to ensure that provision of financial services not only does not harm the end-client, but further, improves the lives of clients.**

The key areas where financial services add value include: increasing access for excluded people, increasing income through investment in economic opportunities such as business or agriculture, improving ability to meet anticipated day-to-day and life cycle financial needs, and reducing vulnerability to shocks (such as illnesses).

- ➔ Achieving a social mission requires purposeful management, guided by a formal strategic plan. Dimension 1 of the Universal Standards “Define and Monitor Social Goals” helps FSPs develop strategies to achieve their social goals. This includes setting social and financial goals that focus on the value-add areas noted above. Dimension 1 provides guidance for organizations to focus on key areas for financial services to **not be an end-goal but a means to an end.**
- ➔ For those organizations that state poverty reduction as one of their social goals, Dimension 1 of the Universal Standards also promotes monitoring the poverty levels of clients using a poverty assessment tool. Organizations whose goal is to end extreme poverty must also be careful on how they store and use client poverty data so that the organization is in line with its goal of targeting poor clients and enabling them to move out of poverty. The poverty assessment tools target clients, place them into tailored programs, segment outreach, and monitor client exit and other performance data by poverty level. These tools also allow organizations to track changes in client poverty level over time (the Universal Standards Implementation Guide provides guidance on the different types of poverty assessment tools available). As the Universal Standards mention, **“intent” is not enough. Actionable management practices are needed to ensure that organizations deliver on their stated social goals.**

- The social assessment tool for the Universal Standards (SPI4) also offers users with a specific mission focus (e.g. poverty) to assess their practices, thanks to optional indicators that reflect the latest industry thinking in these areas.
- The SPTF is developing social outcome management guidelines and defining a short list of social outcome indicators in specific areas, including resilience and vulnerability, economic poverty/housing/assets, business entrepreneurship, and health.

## **2. ZERO HUNGER: Eng hunger, achieve food security and improved nutrition and promote sustainable agriculture (SDG 2)**

Target 2.3: *“By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through **secure and equal access** to land, other productive resources and inputs, knowledge, **financial services**, markets and opportunities for value addition and non-farm employment”*

Farmers who have access to financial services often produce more generous harvests, leading to progress on the second SDG. Lack of access to credit and insurance inhibits farmers from making investments that could increase crop yields and strengthen food security.

- Dimension 3 of the Universal Standards “Design Products, Services, Delivery Models, and Channels that Meet Clients’ Needs and Preferences” provides guidelines for FSPs to understand the needs and preferences of different types of clients (e.g., for credit/savings/insurance, life cycle needs, etc.) and to ensure that products, services, delivery models, and channels are designed to benefit clients and are in line with the institutions’ social goals.
- As noted above, the work that the SPTF is doing on social outcomes includes the development of outcome indicators in the area of resilience and vulnerability.
- The social assessment tool for the Universal Standards (SPI4) also offers users with a specific mission focus (e.g. rural) to assess their practices in these areas.

## **3. GOOD HEALTH AND WELL-BEING: Ensure healthy lives and promote well-being for all at all ages (SDG 3)**

Target 3.8: *“Achieve universal health coverage, **including financial risk protection**, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all”*

As noted by CGAP, financial inclusion improves health by giving people the ability to manage medical expenses and better rebound from a health crisis. Research suggests that out-of-pocket payments on health care in developing countries are a main reason why people remain in poverty.

- As noted earlier, SPTF is developing outcome guidelines and indicators in several areas, including health.
- Dimension 3 of the Universal Standards “Design Products, Services, Delivery Models, and Channels that Meet Clients’ Needs and Preferences” is also relevant to this SDG to

ensure that clients have the financial services they need to manage their medical/personal/health needs.

## **5. GENDER EQUALITY: Achieve gender equality and empower all women and girls (SDG 5).**

Target 5.a *“Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, **financial services**, inheritance and natural resources, in accordance with national laws”*

Financial inclusion of women contributes to gender equality by giving them greater control over their finances and in their role within the family and society in general.

- ➔ The SPTF Gender Working Group has worked throughout the years to bring a gender lens to debates about various initiatives, ways to address challenges, and good practices within the responsible inclusive finance sector.
- ➔ The social assessment tool for the Universal Standards (SPI4) also offers users with a specific mission focus (e.g. gender) to assess their practices.

## **6. DECENT WORK AND ECONOMIC GROWTH: Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all (SDG 8).**

Target 8.3: *“Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the **formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services”***

Target 8.10: *“Strengthen the capacity of domestic financial institutions to encourage **and expand access to banking, insurance and financial services for all”***

Including poor people in the formal financial system is a prerequisite for shared economic growth.

- ➔ Dimension 6 of the Universal Standards “Balance Financial and Social Performance” helps FSPs ensure that all stakeholders (end-clients, investors, lenders, board, management) are aligned on the institution’s double bottom line, set sustainable growth rates, implement appropriate financial structures, and pursue profits in a way that benefits all stakeholders, promoting the well-being of clients and the long-term sustainability of the organization.

**The work of the SPTF ensures that the financial inclusion sector is a responsible one – where end-clients are at the center of all decisions, where standards of best practices are in place for FSPs, where tools to measure and help improve those practices as well as guidance on how to measure and manage social outcomes are available. All of this work builds to measuring and understanding the results in the lives of end-clients, which is fundamental to the accomplishment of many of the SDGs.**

To learn more about the SPTF please visit [www.sptf.info](http://www.sptf.info) or contact [info@sptf.info](mailto:info@sptf.info)