

# Strategic Plan 2015-2017

## EXECUTIVE SUMMARY

Financial service providers (FSPs) understand more clearly than ever that they must be customer-centric if they hope to achieve universal financial inclusion and generate benefits for lower-income clients. Products must be designed to help low-income customers improve their lives. Service delivery must be responsible, transparent, fair, and safe. Decision-making at each level of the business must place customers at the center, to ensure solutions add value to people's lives. *(Adapted from CGAP brief Embedding Social Performance Management in Financial Service Delivery, May 2014).*

### SOCIAL PERFORMANCE TASK FORCE

#### AT A GLANCE

- Launched in 2005
- 2600 members from 127 countries – membership increasing every year
- Cross-section of all stakeholder groups (investors; global, regional, national, multinational networks; support organizations; donors; investors; financial service providers; raters; audit agencies; information services; others)
- Core funding from The Ford Foundation and the Swiss Agency for Development and Cooperation (SDC)
- Funding for discrete projects from multiple additional sources
- Three-year (2015-2017) strategic plan recently adopted



# The Universal Standards for Social Performance

In 2012, after a deeply consultative process among a broad range of stakeholders, the SPTF released the Universal Standards for Social Performance (“Universal Standards”). This comprehensive manual of best practices helps financial services providers keep customers at the center of all strategic and operational decisions. The Universal Standards are:

- Globally accepted standards for social performance management created by and for the people in microfinance as a resource to help financial institutions achieve their social goals.
- A tool to help financial institutions develop a clear social strategy to be carried out by board, management, and staff; to design client-centric products and service; to treat clients and staff responsibly; and to balance financial and social goals.
- A multiple-stakeholder resource. Not only are the Universal Standards a resource for *financial services providers* to improve their own practices, but also for *investors* as they conduct due diligence and monitoring of investees, for funders to evaluate potential partners in a market and to support responsible market development, and for *networks/associations and support organizations* as they work with their members/partners to help put the client at the center of their operations.



# Overview of recent achievements:

Since the release of the Universal Standards in 2012, the SPTF has been focused on generating awareness, creating buy-in, and supporting implementation. Activities and resources include:

- [The Universal Standards Implementation Guide](#) – a comprehensive document offering step-by-step guidance to financial services providers on how to implement the essential practices of the Universal Standards.
- [The SPTF Resource Center](#) – an online library of free resources from real organizations implementing the Universal Standards.
- [The Universal Standards Implementation Series](#) – a free seven-part online training (offered in English, French, and Spanish) with practical guidance on how to implement the Universal Standards through interviews with practitioners. Materials and recordings are available on the SPTF website for download. SPTF has also provided and coordinated multiple in-person trainings around the world on the Universal Standards.
- [A co-funding facility](#) (Responsible Microfinance Facility) – to support the implementation of the Universal Standards in several countries in Sub-Saharan Africa and MENA.
- [The SPI4](#) – SPTF worked closely with CERISE to develop a universal assessment tool that financial services providers can use to assess their level of implementation of the Universal Standards. A shorter version of the tool is being developed for investors to use when conducting due diligence and monitoring their investees.
- [Harmonization with microfinance institutional ratings and social ratings](#) - SPTF works closely with the specialized microfinance rating agencies to harmonize their evaluation frameworks with the Universal Standards.



ENSURE BOARD, MANAGEMENT, AND EMPLOYEE COMMITMENT TO SOCIAL GOALS



DESIGN PRODUCTS, SERVICES, DELIVERY MODELS AND CHANNELS THAT MEET CLIENTS' NEEDS AND PREFERENCES



# High awareness but

**HIGH AWARENESS.** The Universal Standards have achieved a very high level of worldwide awareness across stakeholder groups. A survey conducted by the SPTF in 2014 in partnership with MIX and the Global Appeal for Responsible Microfinance showed that about 90% of financial services providers, investors, and networks were “aware, familiar, very familiar” with the Universal Standards. The survey also provided examples of changes that financial services providers made after learning about the Universal Standards (e.g., developing an action plan, starting to report to MIX, conducting a self-assessment).



**BUT LIMITED UPTAKE.** While these results are very encouraging, the SPTF is aware that much work remains to be done to achieve wide and deep change in practices in the responsible inclusive finance sector. Among the financial services providers, only about 20% of respondents began implementing additional social performance management practices after learning about the Universal Standards. Most explained that they were “unable or unsure” how to implement the practices. To help bridge this gap and to continue to advance client-centered practices, the SPTF has recently developed a 3-year strategic plan.

# Overview of the strategic plan: SPTF plans to focus on **6 core areas of work** over the next 3 years:



**1. Set Standards** – Given the relevance of the Universal Standards in the responsible inclusive finance sector, SPTF must formalize the process by which the Universal Standards will evolve over time to ensure that they stay updated, relevant, and in line with the advancement of related standards. SPTF will manage the creation and ongoing work of a Technical Review Committee composed of SPTF board members and leaders from relevant responsible finance initiatives (such as MIX, Cerise, The Smart Campaign), as well as representatives from frontier initiatives (such as environment and digital financial services), among others. The Technical Review Committee will review the Universal Standards every 3 years. Additionally, SPTF will be in charge of gathering and processing all feedback received from the industry (on an ongoing basis and through public comment periods) and working with key partner initiatives to ensure alignment with other tools and resources, such as the Client Protection Principles and the SPI4.



**2. Promote Standards** - SPTF will develop a long-term communications strategy, create and revise relevant resources that support awareness building and implementation guidance, develop a strategy to reach and secure buy-in from investors (increasingly with equity investors), increase engagement with regulators, engage with stakeholders through multiple channels, attend key conferences around the world, and continue to manage or backstop working groups (e.g., social investor, network, gender, and responsible inclusive finance working groups, among others).



**3. Assess Practices** – The industry now has a tool (the SPI4) that enables FSPs to assess their social performance management practices against the Universal Standards, allowing them to understand their strengths and weaknesses and create an action plan for improvement. While the majority of future work related to the SPI4 will be led by Cerise, the SPTF will work closely with them to ensure alignment of the Universal Standards and the SPI4.



**4. Improve Practices** – SPTF does not directly provide technical assistance to financial services providers. Rather, SPTF works to make sure that the most updated trainings, resources, and tools are available to both financial services providers and technical assistance providers, and that both groups know how to use these resources. SPTF plans to: Manage the Responsible Microfinance Facility (RMF) to support strong social performance management practices in sub-Saharan Africa/MENA and pursue similar projects in other areas, update the technical assistance provider database and launch a new curriculum; promote the Universal Standards Implementation Guide and Mentoring Guide; continue to offer the online training Universal Standards Implementation Series; keep the Resource Center updated; and develop further resources focused on the topic of balancing financial and social performance. (Dimension 6 of the Universal Standards—and the one reported as the most challenging to implement).



**5. Report and Benchmark Data** - Reporting data promotes general industry-wide transparency, ensures necessary data is available to investors, and allows for trend analysis. As more institutions use the SPI4, CERISE will steadily amass valuable social performance data. SPTF and CERISE will support MIX to be the platform that collects and publishes the data gathered by the SPI4. (SPTF's role in this activity is supporting, as MIX will execute the vast majority of the work.)



**6. Demonstrate Practices** - The industry is increasingly being asked to provide evidence demonstrating the link between responsible financial products and services and improved outcomes for clients. SPTF plans to continue to run the Outcomes Working Group launched in 2014 in response to members' demand. SPTF will also develop case studies to show how good customer-centric practices can improve financial and social performance, and to share what organizations with strong client-centered practices are learning about client outcomes.

# Call for additional funding:

The SPTF is grateful to the generous support of its current funders: The Ford Foundation, Swiss Agency for Development and Cooperation (SDC), and Agence Française de Développement (AFD). We are expanding our funding base to support the expanded scope of work contemplated in the new strategic plan. New funding will help the SPTF achieve the following over the next three years:

- Be the global platform for responsible inclusive finance stakeholders to maintain and update the Universal Standards
- Attain further buy-in of the Universal Standards across all types of stakeholders to improve services to low income clients
- Increase the number of financial institutions implementing strong client-centered practices
- Increase the number of financial institutions that are transparent and accountable about both financial and social performance
- See improved access to quality financial products and services for low-income clients
- Advance work on measuring client outcomes

For questions or interest in accessing background materials, detailed budget, or other relevant documents please contact Laura Foose, Executive Director of the SPTF, at [laurafoose@sptf.info](mailto:laurafoose@sptf.info)