The Universal Standards for Social Performance Management

A Comprehensive Resource For the Microfinance Industry

"Everyone should have the opportunity to improve their lives—and financial services should be available to anyone that needs them to do so."

–Ging Ledesma, Oiko Credit

SocialPerformance TASK FORCE

STANDARDS FOR SOCIAL PERFORMANCE MANAGEMENT

- Comprehensive manual of good practices
- By and for people in the field
- Resource for achieving social goals
- Credibility for institutions and industry
- Realistic implementation process

"They are standardized, collaborative and global in nature. People want to learn from each other and figure out how others are addressing these same problems."

–Rachel Brooks, Juhudi Kilimo, Kenya

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Based on leading industry initiatives and practices implemented successfully by MFIs

Voluntary resource—not a rating, regulatory or certification system

“Tracking and monitoring how the MFI’s mission is embedded in its day-to-day operation is key.”

–Ellen Willems, Triodos Investment Management

- **Has a strategy to achieve its social goals.**
- **Collects, reports, and ensures the accuracy of client-level data.**

"What's important is that the principals of the company are true to the mission and pursuing goals in a meaningful way."

–Asad Mahmood, Deutsche Bank

- **Board is committed to the social mission.**
- **Board holds institution accountable to its social mission and goals.**
- **Senior management sets, and oversees implementation of, strategy for achieving social goals.**
- **Recruits, evaluates, and recognizes employees based on both social and financial performance criteria.**

"We want MFIs to be seen as a place where clients are treated responsibly."

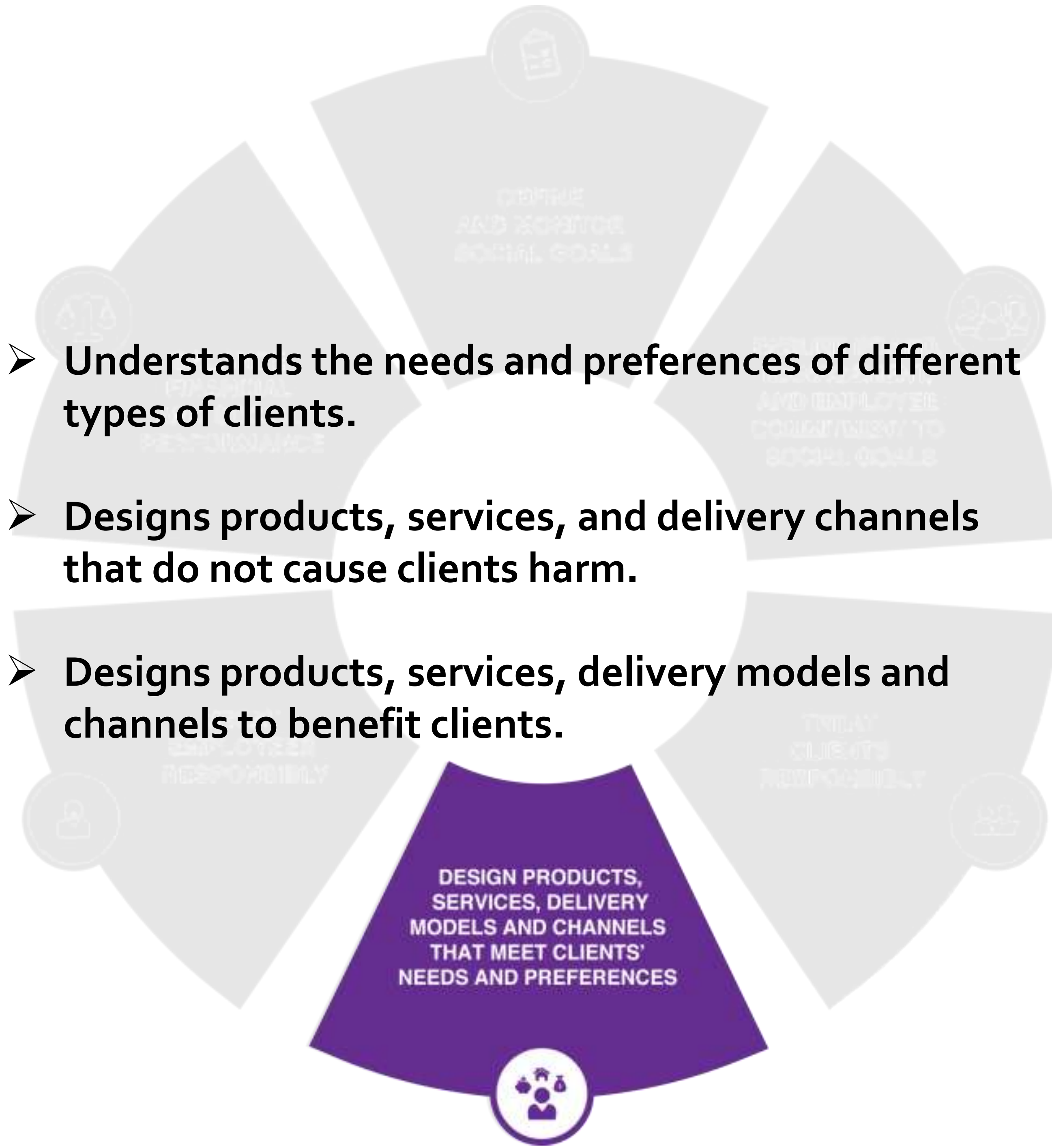
–Stuart Coe,
The Co-operative Banking Group

- **Ensures clients have the capacity to repay without becoming over-indebted.**
- **Communicates in a manner and language that clients can understand.**
- **Treats clients fairly and respectfully—and has safeguards to detect corruption and abuse.**
- **Respects the privacy of individual client data.**
- **Has timely and responsive mechanisms to resolve problems and improve products and services.**

"Understanding clients opens the way to developing services that are useful to them."

–Jürgen Hammer, Grameen Crédit Agricole

- **Understands the needs and preferences of different types of clients.**
- **Designs products, services, and delivery channels that do not cause clients harm.**
- **Designs products, services, delivery models and channels to benefit clients.**



"Another socially responsible business practice is treating staff well."

–Dina Pons, Incofin

- **Follows a written Human Resources policy that protects employees and creates a supportive working environment.**
- **Communicates terms of employment and provides training for essential job functions to all employees.**
- **Monitors employee satisfaction and turn-over.**

"Microfinance stands on two pillars—one is financial, the other is social—and without both the industry will never have the impact we want."

–Nancy Samy, former Deputy Executive Director of Sanabel, Egypt

- **Has growth rates that are sustainable and appropriate for market conditions.**
- **Has a financing structure that is appropriate to a double bottom line institution.**
- **Pursuit of profits does not undermine long-term sustainability or client well-being.**
- **Compensates senior managers appropriately for a double bottom line institution.**

"They make your job easier because for the first time, all the information is consolidated in one common document."

–Kasia Pawlak,
Microfinance Centre

A Social Performance Management Resource For Investors/Funders as well as MFIs

The Universal Standards can:

Align due diligence tools to help monitor SPM practices

Provide more concrete information about SPM

"The stories are important, but it would be better if those were accompanied by a more analytical approach to the whole portfolio."

–Rekha Unnithan, TIAA-CREF

The Universal Standards can help rebuild the industry’s reputation – demonstrates efforts to self regulate

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kiefelphotography.com/fonkoze

“The Standards are important because they are an attempt to distinguish microfinance that has positive social impact from microfinance that can be exploitive and damaging.”

– John De Wit, The Small Enterprise Foundation, South Africa

We can demonstrate that our industry is working with common purpose to achieve financial inclusion:

Define balanced returns

Incorporate into due diligence & reporting

Implement with partner FIs

Social Performance
TASK FORCE

www.sptf.info

EDA Rural Systems www.edarural.com