



MICROCREDIT SUMMIT CAMPAIGN

A Project of RESULTS Educational Fund

August 12, 2014

Dear Microcredit Summit Campaign and Fellow Colleagues,

With this letter, the Social Performance Task Force again commits to take specific, measurable, and timely action to support organizations that are committed to helping 100 million families lift themselves out of severe poverty. We are excited to join all of you in this important endeavor.

Achieving such a goal will require broad cooperation across initiatives and sectors, as well as innovative partnerships and models. Equally importantly, it will require reliable and accurate data to track progress along the way. With that in mind, we commit ourselves to the following goals for the upcoming year:

SPTF commits to helping financial institutions use the Universal Standards for Social Performance Management Implementation Guide and begin to implement social goals. Specifically, SPTF commits to disseminating the guide – either in person or via downloads – 1,000 times.

This year, SPTF created an implementation guide for the Universal Standards, providing a step-by-step manual for these financial institutions to effectively implement their social goals. Now, SPTF will work to help as many institutions as possible use the guide and begin to implement social goals.

Specifically, SPTF will work with MFIs and networks to improve organizations' practice in relation to Section 1. While the Universal Standards as a whole help financial institutions improve social performance management, Section 1 specifically helps MFIs set a strategy to meet their social goals, operationalize that strategy, and then set and monitor goals.

This process includes collecting, reporting, and ensuring the accuracy of client-level data related to the institution's social goals, so that MFIs can effectively act on their social missions and credibly report on progress they are making. Therefore, the more closely organizations adhere to Section 1 of the Universal Standards, the better data and information we will have about progress they are making in lifting citizens out of poverty. To help accomplish this, SPTF will help MFIs use the Implementation Guide, as well as its online resource center and Implementation Series webinar trainings.

SPTF commits to continue working with CERISE to have at least 100 MFIs use the SPI4, which serves as a simplified self-assessment tool for financial institutions to identify their strengths and weaknesses in social performance management.

This year, SPTF collaborated with CERISE and other industry stakeholders to create the SPI4, which enables MFIs to analyze their social performance management against the full set of Universal Standards indicators. This allows an institution to identify its strengths and weaknesses across social performance management, helping it to prioritize next steps to



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improve practice to ensure better service to clients.

After helping institutions beta test the tool this year and reflecting on the lessons from those initial users, SPTF commits to continue helping financial institutions assess their social performance management with the SPI4. For organizations that focus on poverty in their social mission, there is an optional module to evaluate how well an institution is managing that goal. Such evaluation includes whether the institution is using a poverty assessment tool, which is critical for understanding its progress in reaching the poor.

Once organizations identify areas for improvement, they can use any number of resources available to them to improve practice including the Universal Standards Implementation Guide, the online resource center on the SPTF website, and joining the Truelift Community of Practice.

SPTF commits to continue working with the Responsible Inclusive Finance (RIF) Working Group during 2015 to reduce duplication of efforts and address gaps in technical assistance provision to better facilitate institutions' ability to reach social goals. Specifically, SPTF commits to having 12 full-day trainings through the group this coming year.

The Group, composed of eight responsible inclusive finance initiatives (CERISE, Grameen Foundation, MFTransparency, MIX, Principles for Investors in Inclusive Finance, Smart Campaign, SPTF, and Truelift), is collaborating to streamline efforts, avoid duplication, and reduce confusion of the various resources and tools available to practitioners who want to improve their performance.

This year, group developed a roadmap to responsible inclusive finance, which lays out a framework for improving practice in five steps – *Learn, Assess, Plan, Implement* and *Demonstrate* – and outlines the resources and tools available at each step. Now, the group is using this presentation to develop a joint full-day training on responsible inclusive finance, which it will deliver at upcoming conferences and regional trainings to help local networks. The training is designed to help participants better understand the resources and tools available to them, as well as to help them begin to identify a path for their institutions to improve practice. Additionally, the RIF Working Group is building local capacity to deliver these presentations, as well as to conduct assessments and technical assistance.

These efforts will contribute to the Campaign's goals by addressing gaps in technical assistance, which will strengthen institutions' ability to efficiently and effectively execute their social goals. Furthermore, the full-day training includes a poverty-focused module, helping those institutions with a poverty mission better understand the resources and tools available to help them fulfill that mission.

We look forward to tracking and reporting our progress against these goals, as well as working with those of you who commit to lifting 100 million citizens out of severe poverty.



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Sincerely,

A handwritten signature in black ink that reads "Laura Foose". The signature is written in a cursive, flowing style.

Laura Foose
Director
Social Performance Task Force