

SPTF Social Investor Working Group

December 15, 2021

Agenda

- Review of what has been accomplished this year and updates for next year 2022
- Review of the CP Pathway, ALINUS, and the Universal Standards launch of early 2022
- SFDR working group updates and a new regulatory initiative

CP Pathway Achievements

- 44 FSPs committed to the CP Pathway since launch.
- Of the 44 committed FSPs, some are just getting familiar with CP standards and have completed a self-assessment or a SPI
- 20 Certified FSPs have committed to CP and are publicly listed on the SPTF website
- Working on reaching out to previously certified FSPs and engage them on the CP Pathway so that they attain public recognition and so we can enroll them in our newsletter and keep them updated on the status of their certification
- Dozens of investors and DFIs have signed the joint statement. Networks are also taking the initiative to sign and join our call to action
 - o If you would like to join our call to action, the text of the joint statement is available on our website and you can email us a high resolution logo so we can add it to this joint statement
 - o Networks are also able to join. Networks are microfinance professional associations in countries who gather members and organize trainings and capacity building. Another example is MFIs such as BRAC
- Do not hesitate to spread the word about this initiative. How to spread the word?
 - o Created [communications kits](#) for partners to promote the CP Pathway. More information is available on the SPTF website under the Client Protection tab
- Launched the Client Protection [implementation series](#)
 - o Hosted 2 webinars and more will come in the next year 2022
 - o There is one webinar per month and they are available in English, French, and Spanish. Each webinar in the respective language is available on the SPTF website
 - o The newsletter will always announce upcoming webinars and events. Partners and investees are welcome to these webinars
 - o The next webinar will be hosted on Jan 19, 2022.
 - At 8:30 a.m. GMT and hosted in English. The topic will be the transparency journey of a client together with its FSP and how to correctly implement CP practices in this journey
 - At 00:00 GMT and hosted in French. The topic will be the prevention of over-indebtedness. This webinar has already been taken place in English and the recording and presentation are available on the SPTF website
- How to be listed on the SPTF website?
 - o Once investors have completed form one, they will immediately receive an email to complete form two. Investors must complete form two to be listed on the SPTF website
 - o If you would like to know if your investors have completed the first step, please reach out
- The SPTF website is being updated bi-weekly so an investor might not be shown on the website until a week or two after they have completed the form
- Apricot will make CP pathways a mandatory covenant for the next year and all their contracts will share it
- Additionally try to make the wordings universal across organizations
 - o For the next call SPTF could provide example templates of the wording and potentially a survey to see who is making step one compulsory and who goes further and makes a contracts certification compulsory

- Push networks to sign a joint statement and have rather the subsidiaries sign up to the pathway individually country by country
 - o This is because practices can vary from country to country and we list FSPs as committed to implement or certify and their assessments/certifications may be very different from one country to the other so that is why the CP pathway is done at the FSP level and if you desire one of your investees to join the CP pathway, it would be best through the joint statement

ALINUS Process

- Final version of questionnaire will be finalized in the next couple of days
- In depth review of the dimension 7 discussed with e-MFP action group Action group to ensure good compliance on the green basic requirements to be checked in due diligence. Environmental experts will also have their input to see what might be missing from the approach that we have selected so far. Revisions will be made where appropriate
- Used the FMO guide on social and environmental management guidance for microfinance institutions
 - o Old, but interesting in terms of segmenting risky portfolio and identifying what to check on those specific portfolios
- EBRD, CDC, symbiotic classifications are very concrete on the symbiotic side to conduct some ESG rating and a gross portfolio breakdown
- Propose a more in-depth portfolio segmentation to be at least possible to fill in ALINUS or for the SME work.
 - o The risky analysis will be included along with the positive segments such as housing or education
 - o This progress will be shared via email very soon
 - o The portfolio segmentation will be linked to the work that Cerise is doing with SFDR
 - o Analyzing the principle adverse impact framework and template
- For 2021 Cerise will work to create a harmonized collection tool for those principle adverse impacts based on the assumption that the data this year will be collected at the investee level, at the level of the FSP but in parallel working on this portfolio segmentation will help see and understand what type of analysis will be possible at the portfolio level.
- Early next week the next version of ALINUS 3.0 will be released
- Wednesday Jan 12, 2022, the validation of the dimension 7 and the green dimension will be discussed jointly with the EMFP action group and some of the environmental experts
- The next Social Investors Group meeting will be Jan 19, 2022, and take this opportunity to validate ALINUS 3.0
- SPI, envisioning a modular platform with an ESG module, ALINUS module, SPI 5 module, SPI 5+ module with all the indicators from the new standards including the full CP Pathway
- CP Pathway will be implemented as a subset of the entry indicators as the commitment to implement in parallel with ALINUS and potentially the CP full assessment to get prepared for the certification
- Received sponsorship to finalize SPI

SFDR

- Two calls in November and the group is working on coordinating and organizing the data generation capacities for reporting
- Discussions are still occurring with the joint impact model which had presented an updated model of the project – the DFI initiative and impact initiative
- Very active group with a lot of investor participation increasing demand for participation
 - o Demonstrates that these initiatives are sector wide
 - o Deutsche Bank and DWS want to join in this conversation

KYC

- Becoming increasing complex and socially inefficient for the social investment activities and there is a need for better coordination
- New initiate to help investors coordinate in a way that makes the entire KYC process less complicated at the industry level
- Monthly updates will be sent

Year in Review – Main Achievements

- SIWG hosted 9 webinars this year with an average of 25 participants
- Main achievements:
 - o The CP Pathway – investor and rater inputs
 - o The new Universal Standards 3.0
 - o The new Green Dimension of the US 3.0
 - o ALINUS
- SFDR working group – 7 webinars with an average of 15-25 participants
 - o Sector response on main SFDR challenges for DG-FISMA at EC
 - o Sector response with eMFP and GIIN on EC Social Taxonomy consultation
 - o Coordinate data collection processes for PAI reporting
- In person meeting was a success in 2021 and there is hope it will happen again in 2022
- Geneva investor meeting and ALINUS

Thank you to all our paying members!

- SPTF is always accepting new members
 - o If interested, contact Ally Ryder, or go to the SPTF website for more information regarding membership and how to join
- Membership fee helps cover the administration costs of running SPTF as well as all the other services that SPTF and Cerise provide including the CP Pathway and The Universal Standards

Highlights of the Year and Prospects for 2022

- Proposal to change the SIWG meeting from Wednesday to Thursday
- Include the initiatives, accomplishments, and collection of outcome data of the members in the following meetings – important and difficult topic and it must be prioritized in the next year

Happy Holidays!