

The Universal Standards for Social Performance Management

is a comprehensive manual of best practices created by and for people in microfinance as a resource to help financial institutions achieve their social goals. The Universal Standards can unite the industry behind a common approach to social performance management and enhance its reputation for responsibly serving people's financial needs.

“There are almost as many tools and processes as there are stakeholders. The Universal Standards are the first and only achieved project that draws on the many processes in the field to create a unified structure and language for social performance management.”

Jürgen Hammer, *Grameen Crédit Agricole*





1. Define and Monitor Social Goals

STANDARDS:

- A.** The institution has a strategy to achieve its social goals.
- B.** The institution collects, reports, and ensures the accuracy of client-level data that are specific to the institution's social goals.



2. Ensure Board, Management, and Employee Commitment to Social Goals

STANDARDS:

- A.** Members of the board of directors are committed to the institution's social mission.
- B.** Members of the board of directors hold the institution accountable to its social mission and social goals.
- C.** Senior management sets, and oversees implementation of, the institution's strategy for achieving its social goals.
- D.** Employees are recruited, evaluated, and recognized based on both social and financial performance criteria.



3. Treat Clients Responsibly

STANDARDS:

- A.** The institution determines that clients have the capacity to repay without becoming over-indebted and will participate in efforts to improve market level credit risk management.
- B.** The institution communicates clear, sufficient and timely information in a manner and language clients can understand so that clients can make informed decisions.
- C.** The institution and its agents treat their clients fairly and respectfully, and without discrimination. The institution has safeguards to detect and correct corruption as well as aggressive or abusive treatment by their employees and agents, particularly during the loan sales and debt collection processes.
- D.** The institution respects the privacy of individual client data in accordance with the laws and regulations of individual jurisdictions and only uses client data for the purposes specified at the time the information is collected or as permitted by law, unless otherwise agreed with the client.
- E.** The institution has timely and responsive mechanisms for complaints and problem resolution for their clients and uses these mechanisms both to resolve problems and to improve products and services.



4. Design Products, Services, Delivery Models and Channels That Meet Clients' Needs and Preferences

STANDARDS:

- A.** The institution understands the needs and preferences of different types of clients.
- B.** The institution designs products, services, and delivery channels in such a way that they do not cause clients harm.
- C.** The institution's products, services, delivery models and channels are designed to benefit clients, in line with the institution's social goals.



5. Treat Employees Responsibly

STANDARDS:

- A.** The institution follows a written Human Resources policy that protects employees and creates a supportive working environment.
- B.** The institution communicates to all employees the terms of their employment and provides training for essential job functions.
- C.** The institution monitors employee satisfaction and turn-over.



6. Balance Financial and Social Performance

STANDARDS:

- A.** Growth rates are sustainable and appropriate for market conditions, allowing for high service quality.
- B.** The institution's financing structure is appropriate to a double bottom line institution in its mix of sources, terms, and desired returns.
- C.** Pursuit of profits does not undermine the long-term sustainability of the institution or client well-being.
- D.** The institution offers compensation to senior managers that is appropriate to a double bottom line institution.