Investors Action Group & LabODD

Agree on a core outcomes questionnaire and a common set of outcomes indicators to collect reliable and useful outcomes data from customers to take informed decisions for building a strong social and environmental strategy.
Our objectives today

- Agree on a **core outcomes questionnaire**, to collect reliable and useful outcomes data from customers to take informed decisions for building a strong social and environmental strategy.

- Discuss a proposed **common set of outcomes indicators**: are they relevant and useful for both financial service providers (to understand and better serve their clients) and for related stakeholders (e.g., investors, networks, regulators) to understand the impact of financial services on clients?
Working documents to be discussed

- Mapping of diverse outcomes questionnaires
- Proposed core standard questionnaire to collect basic outcomes data
- Set of standards outcomes indicators to be included in SPI online assessment tools for Q1 2023 (outcome's module)
AGENDA

- 10:00 – 10:30: Introduction & tour de table
- 10:30 – 11:15: Investors’ experience:
  - ADA, diverse set of questionnaires for different sectors
  - Oikocredit, standard outcomes questionnaire, methodology, lessons learned
- 11:15 – 11:45: Group work to review the questionnaire
- 11:45 – 12:15: Group work to review the core indicators proposed for SPI online
- 12:15 – 12:30: Wrap-up and next steps
3 years of discussion and sharing experiences among investors, DFIs and FSPs worldwide

- Discuss the way to **harmonize and push for outcomes management** with social investors and responsible financial service providers.
- Contribute toward a **minimum set of standard indicators** to collect outcomes data that would support financial institutions’ strategic and operational decision-making and ease the reporting to the various investors.
- Prepare **standard indicators to be collected on SPI Online**, to produce “Sustainability/Outcomes” reports, aligned with the SDGs.
- Based on the [Brief](#) prepared by Cerise in collaboration with SPTF Outcomes Working Group and e-MFP Investors Action Group (2022)
OUTCOMES MANAGEMENT FOR FINANCIAL SERVICE PROVIDERS
A proposed standard framework aligned with the Sustainable Development Goals

1 BACKGROUND
2 RECENT TRENDS INFLUENCING OUTCOMES MANAGEMENT
3 CHALLENGES AND FIRST STEPS FOR VALUABLE OUTCOMES DATA, ALIGNING EXPECTATIONS
4 A PROPOSAL FOR OUTCOME INDICATORS BY SUSTAINABLE DEVELOPMENT GOALS AND TARGETS
5 RECOMMENDATIONS: NEXT STEPS ON OUTCOMES MANAGEMENT AND SDG FOR FINANCIAL INCLUSION

Prepared by CERISE in collaboration with SPTF Outcomes Working Group and e-MFP Investors AG

Download the Brief

With the support of
Focus on the Targets of SDGs 8, 1 & 5

**8.3 Promote development-oriented policies that support productive activities, decent job creation (...) through access to financial services**

**1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions**

**1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have (...) access to (...) appropriate financial services, including microfinance**

**5.1 End all forms of discrimination against all women and girls everywhere**

**5.2 Eliminate all forms of violence against women and girls**

**5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in (...) economic (...) life**
# Outcomes indicators and SDG 8

<table>
<thead>
<tr>
<th>SDG Target</th>
<th>Indicator</th>
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<tr>
<td>8.3 Promote development-oriented policies that support productive activities, decent job creation (...) through access to financial services</td>
<td>Increased employment in financed business (legal working-age/adult family members, wage workers) (integrate notions of “decent work” and “formal jobs”), on average, for all productive loans  Changes in business revenue: 1) annual sales; 2) annual net income  Number of new businesses created  Changes in business practices, towards business professionalism (with list of positive changes towards new products, changes in business decisions, new processes)</td>
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<td>...entrepreneurship, creativity and innovation...</td>
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<td>...encourage the formalization and growth of micro-, small- and medium-sized enterprises...</td>
<td>Number of SMEs formalized (tracking changes)  Changes in business assets (% invested in tools/equipment/productive assets; changes in total business assets)</td>
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<td>Target 8.3 globally</td>
<td>Perception of change by the entrepreneurs  Business attitude:  • Confident in ability to be successful  • Satisfaction with business earnings  Feel optimistic about the future</td>
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## Outcomes indicators and SDG 1

<table>
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<th>SDG Target</th>
<th>Indicator</th>
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<td>1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions</td>
<td>Acquisition of household assets (bed, stove, refrigerator, TV, bicycle, etc.)&lt;br&gt;Improved basic needs (toilet, drinking water, clean cooking, school for children)&lt;br&gt;Financial tools/changes in liquid assets (livestock, jewelry, etc.)&lt;br&gt;Change in number and quality of meals&lt;br&gt;Income (number of sources, change, stability)&lt;br&gt;Or, as a proxy, average monthly household expenditure&lt;br&gt;Financial tools: change in savings balance&lt;br&gt;% clients that can better manage their budget/ expenses/finances&lt;br&gt;Ability to face major expense&lt;br&gt;Perception of change in quality of life (and reasons)&lt;br&gt;After years 3 and 5: % of households above the selected poverty line, who were below the line at entry</td>
</tr>
<tr>
<td>1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have (...) access to (...) appropriate financial services, including microfinance</td>
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<tr>
<td>SDG Target</td>
<td>Indicator</td>
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<tr>
<td>5.1 End all forms of discrimination against all women and girls everywhere</td>
<td>Capacity to use the loan for her own economic activity</td>
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<td></td>
<td>Capacity to contribute financially to the household needs</td>
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<td></td>
<td>Capacity to make decisions regarding the use of the household resources</td>
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<td>% of women who report that they are more comfortable voicing their opinions (at workplace, in household, in community, depending scale of intervention of the organization)</td>
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<td>% of women who report a perception of decreased discrimination/ easier access to work</td>
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<tr>
<td>5.2 Eliminate all forms of violence against women and girls.</td>
<td>Domestic violence: % of women who report that the use of financial product created unintended harm/ has resulted in a list of negative coping mechanisms (child labor, gender-based violence, etc.)</td>
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Recent workshops in 2022

- September 13th and 20th - The Outcomes Management Workshop Series (online)
- September 28th - Outcomes Working Group in Paris
- Today: e-MFP Investors Action Group in Luxembourg
What we’ve seen and heard so far

1. There are growing demands for accountability

2. Getting data has gotten easier and cheaper

   ➢ Income data captured on tablets and MIS (but need to be of better quality)

3. We’ve adjusted our expectations of what financial inclusion can achieve

   ➢ Focus on direct changes (income, business) and perception from clients; outcomes versus “proof of impact”
   ➢ The SDGs have emerged as a common framework

4. Investor interest in outcomes is growing

   ➢ Willingness to support outcomes management (from collection to analysis), collaboration, and co-financing as a powerful approach
   ➢ Push for more reporting, better understanding at the end-client level, towards sharing of data?

5. Outcomes management is still challenging for most providers

   ➢ Kiva shows that only 35% of its partners can provide evidence of quantitative outcomes studies
   ➢ Need for a combination of sources (MIS, quanti, quali)

From the Outcomes Management Workshop Series
Key outcomes data/indicators you would value as...

**INVESTORS**

- % of clients who face repayment burden
- Smooth financial shock = ability to face a major expense
- Changes in Income, business, and household assets
- Life improvement
- More work or education for the family
- Gender-related positive or negative change
- Capacity to use the loan for female own business activity
- Capacity to contribute to family needs and decisions
- “Be able to” = power to do many things = confidence in the ability to be successful

**FINANCIAL SERVICE PROVIDERS**

- A combination of key indicators to report and demonstrate positive impacts, and indicators to improve services.
- Client profile (PPI) and Net Promoter Score (NPS) = How we reach out to target clients, to be able to live by our mission.
- Business and household income data. Measure the gap between income and expenses.

Even if the method developed will never be able to embrace the diversity of situations, it has the merit of giving an overview of the impact of each MFI
NEXT STEPS

- Co-development Online Workshop on the outcome questionnaire: December 2\textsuperscript{nd}
- SPI Online new platform to be launched in January 2023
- Continue the work on harmonizing and pushing for outcomes management
  - For the Inclusive Finance sector
  - Adopting a Gender Approach
  - Focusing on Environmental Risk & Performance Management
    - Responsible Investment in Agriculture
    - Energy Access

#emw2022
Resources

- Brief by e-MFP/Cerise/SPTF: “Outcomes Management for Financial Service Providers: A proposed standard framework aligned with the SDGs”

- Article by Kiva: “Why social enterprises struggle to measure impact – and what impact investors can do about it”

- Gojo Webinar (Sept. 15th, 2022)

- The Outcomes Management Workshop Series (September 13th and 20th)