The Drivers for Better Outcomes

How Social and Environmental Performance Management practices can be most closely linked to better customer outcomes.
The Drivers for Better Outcomes – Parallel Session – 60 minutes

- Draw from recent experiences in measuring outcomes and listening to clients, to understand how SEPM practices can be most closely linked to better customer outcomes.
Our speakers today

- Cécile Lapenu (Cerise)
- Pranav Sridhar (60 Decibels)
- Kawien Ziedses des Plantes (Oikocredit)

Moderator: Célia Fernandez (Cerise)
Several 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, aligned with the SDGs, that would
  - Support financial institutions’ strategic and operational **decision-making**
  - Ease the **reporting** to the various investors.

- **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

Focus on the Targets of SDGs

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

Download the Brief

With the support of

www.e-mfp.eu
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

All Replays & Presentations
Recent Trends Influencing Outcomes Management

1. There are growing demands for accountability

2. Getting data has gotten easier and cheaper

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

4. Investor interest in outcomes is growing

5. Outcomes management is still challenging for most providers

- Using digital technology and MIS to collect data
- The SDGs as a common framework
- Focus on direct changes and clients’ perceptions
- Willingness to support outcomes management (from collection to analysis)
- Push for more reporting, better understanding at the end-client level, and sharing data?

From the Outcomes Management Workshop Series
Outcomes Management Workshop Series

Lessons Learned

1. Providers seek support: capacity-building of staff, digital tools, dashboards = use the data

2. Improve the quality of existing data with incentives, training, internal audit, sharing results

3. Value of combination of data (MIS, complaints, quantitative survey/60Db type, qualitative approach)

4. Collective approach: standard indicators as a minimum, co-financing, sharing list of FSP with outcomes data, sharing data?

“If the Management values the data and is making business decisions based on this, then the quality of data can improve”

Income data: poor recall from one year to the next, not in the MIS, volatile, overestimated
60 Decibels
Microfinance Index

1st
Comparable impact performance report based on microfinance customer voice

72
Microfinance Organizations

41
Countries around the globe

17,956
Microfinance clients we listened to

60__decibels

60__decibels
## Impact Themes

<table>
<thead>
<tr>
<th>The Dimensions</th>
<th>Indicators</th>
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</table>
| **Access**     | > Clients accessing a loan for the first time  
                 > Clients without access to good alternatives  
                 > Inclusivity Ratio |
| **Business Impact** | > Very much increased business income  
                              > Increased number of paid employees |
| **Household Impact** | > Very much improved quality of life  
                                  > Very much increased spending in  
                                  > Home improvements  
                                  > Education  
                                  > Healthcare  
                                  > Quality Meals  
                                  > Very much improved ability to achieve financial goal |
| **Financial Management** | > Clients who strongly agree they understand all terms & conditions of loan  
                                   > Very much improved ability to manage finances  
                                   > Very much improved stress levels  
                                   > Clients saying their loan repayments are not a burden |
| **Resilience** | > Clients whose savings balance has very much increased  
                            > Clients who have a very much improved resilience because of the MFI  
                            > Clients who never reduce food consumption to make repayments |

5 Impact Themes  
18 Indicators  
100% Comparability  

60 decibels
Top 20 Performers

BRAC Liberia Microfinance Company Limited
LAPO Sierra Leone
ECLOF Kenya
Advans Côte d’Ivoire
Accion Microfinance Bank
Advans Nigeria
BRAC Tanzania Finance Ltd.
Juhudi Kilimo
ACEP Burkina Faso
Grooming People for Better Livelihood Centre
Pro Mujer Nicaragua
Letshego Uganda
Nyësigiso
Financiera Fama
MFI 15
Friendship Bridge
COOPASPIRE
Annapurna
BRAC Microfinance (Sierra Leone) Ltd.
MFI 20

60_-_decibels
## Links between SPI4 and 60Db results – examples from Advans

**Advans greenfield Subsidiaries having completed both SPI4 audit & 60dB Survey**

- Advans Ghana (2017) – 71% overall
- Advans Nigeria (2019) – 70% overall
- Advans Cote d'Ivoire (2022) – 80% overall

<table>
<thead>
<tr>
<th>USSEPM</th>
<th>60Db correlations and positive feedbacks</th>
<th>Things to improve</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SOCIAL STRATEGY</strong></td>
<td><strong>Mission to focus on MSMEs with limited access to financial services achieved:</strong> e.g. Cote d'Ivoire, 88% of clients with no access to similar loan before 89% on Dimension 1 – Social Strategy in SPI</td>
<td><strong>Women were impacted differently in each market. Advans did not have a specific Gender strategy =&gt; making women more a central part of our social mission</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Value of a wide range of products</strong> 54% of clients significantly increasing their revenue: 80% on Dimension 3 - products and services in SPI</td>
<td><strong>More nascent impact on specific aspects like education or health. =&gt; expanding offers like Education savings and loans and health insurance (especially in RCI &amp; Nigeria).</strong></td>
</tr>
<tr>
<td><strong>CLIENT CENTERED PRODUCTS &amp; SERVICES</strong></td>
<td><strong>Prevention of over-indebtedness:</strong> e.g. Nigeria 88% of clients said they never had to cut consumption. +75% fully conform on credit policies and procedures</td>
<td><strong>Correlation between transparency and the likelihood to recommend. Both 60 dB and SPI4 scores show we need to work on improving transparency</strong></td>
</tr>
</tbody>
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Understanding the drivers of outcomes

- 36 institutions with an SPI audit have agreed to share their 60Db data with Cerise
  - Overall, strong SPM involvement for FSP engaged in 60Db surveys
  - Average SPI score for 60Db sample about the same as in SPI database

- Analysis of correlation
  - We selected 23 based on relevance and quality
  - Hoping to grow the sample in order to have some statistical significance
  - We are looking for trends
  - It is ongoing research

60 decibels
# SEPM and Outcomes: first trends in correlations

<table>
<thead>
<tr>
<th>SPI overall score</th>
<th>Index Score</th>
<th>Access Score</th>
<th>Access indicator: alternatives*</th>
<th>Access indicator: first access**</th>
<th>Inclusivity ratio</th>
<th>Equitable Access Score</th>
<th>Business Impact Score</th>
<th>Household Outcomes Score</th>
<th>Financial Management Score</th>
<th>Resilience Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPI Dimension 1</td>
<td>-12%</td>
<td>18%</td>
<td>5%</td>
<td>9%</td>
<td>20%</td>
<td>20%</td>
<td>-11%</td>
<td>-10%</td>
<td>-13%</td>
<td>-24%</td>
</tr>
<tr>
<td>SPI Dimension 2</td>
<td>1%</td>
<td>28%</td>
<td>7%</td>
<td>29%</td>
<td>17%</td>
<td>17%</td>
<td>11%</td>
<td>-3%</td>
<td>-9%</td>
<td>-19%</td>
</tr>
<tr>
<td>SPI Dimension 3</td>
<td>16%</td>
<td>17%</td>
<td>38%</td>
<td>5%</td>
<td>-16%</td>
<td>-16%</td>
<td>20%</td>
<td>18%</td>
<td>11%</td>
<td>-1%</td>
</tr>
<tr>
<td>SPI Dimension 4</td>
<td>-7%</td>
<td>14%</td>
<td>6%</td>
<td>30%</td>
<td>-15%</td>
<td>-15%</td>
<td>-4%</td>
<td>-9%</td>
<td>-2%</td>
<td>-23%</td>
</tr>
<tr>
<td>SPI Dimension 5</td>
<td>-18%</td>
<td>-7%</td>
<td>-11%</td>
<td>7%</td>
<td>-8%</td>
<td>-7%</td>
<td>-18%</td>
<td>-17%</td>
<td>-8%</td>
<td>-25%</td>
</tr>
<tr>
<td>SPI Dimension 6</td>
<td>-8%</td>
<td>-2%</td>
<td>-8%</td>
<td>5%</td>
<td>1%</td>
<td>1%</td>
<td>-27%</td>
<td>-4%</td>
<td>17%</td>
<td>-11%</td>
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SPI: Social Practice Index

SEPM: Social Economic Political Management

Outcomes: first trends in correlations

[Image: CERISE+SPTF logo]
Oikocredit’s End-Client Survey Programme
Focused on End-client’s Perception of Change

Integrate voices of end-clients

- Participatory project team from survey to data collection
- Instantly visualise data in dashboards

Build capacity to action end-client data

- Analyses in collaboration project team
- Action plans based on dashboard data and strategy

Goals

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<th>Include the perspective of end-clients</th>
<th>Improve products &amp; services</th>
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Output

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<tr>
<th>19 MFIs</th>
<th>18,500 end-client respondents</th>
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2022

#emw2022
Breaking Down the Barriers

01. You can gain efficiency
02. You can reach your customers
03. Responses can be validated
04. Staff learn by doing
Show Opportunities, Risks & Resilience

From Outreach to Impact: economic wellbeing section
All partners

In the last 12 months

**Income**
- Improved a lot: 4K
- Improved a little bit: 7K
- Remained the same: 1K
- Diminished a little: 3K
- Diminished a lot: 1K
- Don't know: 0K

**Savings (65% has savings)**
- Improved a lot: 3K
- Improved a little bit: 5K
- Remained the same: 2K
- Diminished a little: 1K
- Diminished a lot: 0K
- Don't know: 0K

Extreme weather has affected respondents’ income

46%

Covid-19 impact last 12 months on respondents’ life

- 18%: Blank
- 12%: Very bad
- 24%: Bad
- 32%: Not much has changed
- 14%: Good

In the last 12 months, respondents have become

- 44%: More worried about the future
- 24%: Unchanged in my outlook
- 32%: Less worried about the future

Savings withdrawn in the last 12 months

- Yes 62%
- No 38%

Savings only can support for
- Less than one week: 2K
- Less than one month: 1K
- Less than six months: 2K
- Less than one year: 3K
- More than one year: 2K
- Don't know: 0K

Branch
- All

Age bracket
- All

Client longevity in years
- All

Business activity
- All

Educational level
- All

Gender
- All

Business
- All

Loan Product
- All
Questions & Answers

The Drivers for Better Outcomes

How Social and Environmental Performance Management practices can be most closely linked to better customer outcomes.
NEXT STEPS

- Co-development Online Workshop on the outcome questionnaire: December 2nd
- 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
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)