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Cerise  
FOR NEW FINANCE FRONTIER



CGAP



CDF

CREDIT & DEVELOPMENT FORUM (CDF)  
The National Networking Organization working for the Microfinance Industry in Bangladesh.



ECLOF INTERNATIONAL

ENTREPRENEURS du Monde



EUROPEAN MICROFINANCE PLATFORM  
NETWORKING WITH THE SOUTH



FINCA Impact Finance



FONDESA  
LA EDUCACION TE DA PODER PARA REALIZAR TUS SUEÑOS



FRIENDSHIP BRIDGE



espoir  
¡Nuestro crédito marca la diferencia!



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good return



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incofin  
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InFiNe  
Inclusive Finance Network  
Luxembourg



KMBI



kiva



LMFA

LED LIECHTENSTEIN DEVELOPMENT SERVICE



MAHA AGRICULTURE MICROFINANCE



mcpi



MFR  
Make the Difference We Prove It



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nmi  
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OPPORTUNITY International  
10th Anniversary 2012-2022



FATEN



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FOR AID DEVELOPMENT & INVESTMENT



symbiotics



Triodos Investment Management



Triple Jump



Women Microfinance Network



Women Microfinance Network



CERISE+SPTF

# Outcomes Plenary: Exploring the connection between SEPM and client outcomes

Moderator: Amelia Greenberg (SPTF)

Speakers: Stephanie Beatriz Garcia Van Gool (**BBVA  
Microfinance Foundation**); Cécile Lapenu (**CERISE**); Devin  
Olmack (**60 Decibels**); Lucia Spaggiari (**MFR**)

29 September 2022



# Agenda

9:30 - 9:40	Welcome and introductions
9:40 - 10:25	Discussion among panelists
10:25 - 10:50	Debate key outcomes questions
10:50 - 11:00	Questions and answers with the audience
11:00	Conclusion

# Meet your panelists

## Moderator:

- Amelia Greenberg, Deputy Director, **SPTF**

## Speakers:

- Stephanie Garcia Van Gool, Director, Impact Assessment and Strategic Development, **BBVA Microfinance Foundation**
- Cécile Lapenu, Executive Director, **CERISE**
- Devin Olmack, Manager, **60 Decibels**
- Lucia Spaggiari, Innovation Director, **MFR**





# Overview: The BBVA Microfinance Foundation (1 of 3)

Data as of 31<sup>st</sup>, Aug 2022

## TOTAL CLIENTS

2,882,007 **AGR**  
+ 6%

## CREDIT CLIENTS

887,251



## Gross loans

1,192 €m + 11%

## Average loan

1,268 € +8%

## Amount disbursed

948 €m + 27%

## Client deposits

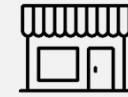
653 €m - 2%



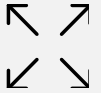
**7,751**  
EMPLOYEES



**571**  
BRANCHES & SERVICE  
POINTS



**2,210**  
NON-BANKING  
CORRESPONDENTS



**103,998**  
OTHER  
TRANSACTIONAL  
POINTS





# Overview: The BBVA Microfinance Foundation (2 of 3)

## Our understanding of impact

### Our purpose

The sustainable development of people under vulnerable conditions who own productive activities (microenterprises)

### The “how”

Through a range of financial products and services that allow vulnerable people to withstand financial stress, contingencies and actively manage their resources, offering them greater flexibility and more options to accumulate assets over time.



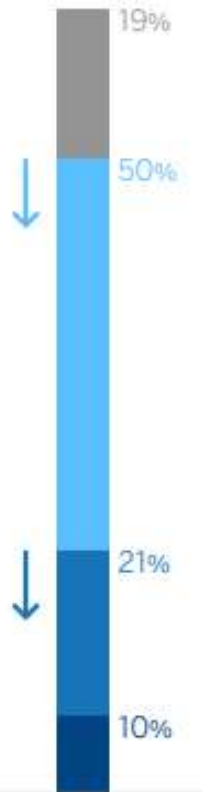
# Overview: The BBVA Microfinance Foundation (3 of 3)

## Our client profile

### Economic vulnerability

**81%**  
 Vulnerable + poor:  
 Total clients generating  
 incomes less than 3 x  
 their country's monetary  
 poverty line

**31%**  
 Clients generating income  
 below the poverty line



■ Ext. poor ■ Poor ■ Vulnerable ■ Others

### Social vulnerability

**60%** Women **32%** Rural

**13%** Older (> 60 y.o.) **20%** Young (< 30 y.o.)

**38%** Primary education at best

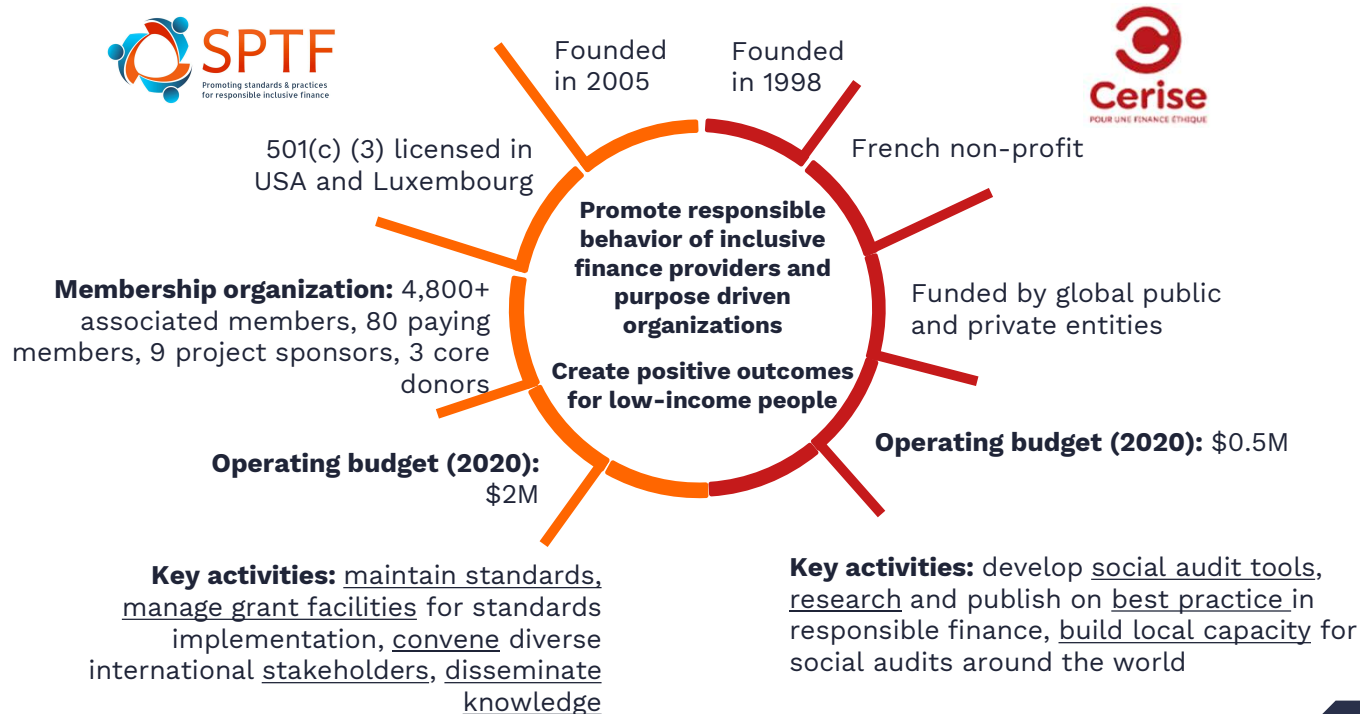
### Inclusion

Banked in 2020  
**33%** entrepreneurs

Migrants & refugees  
**44,144** entrepreneurs

# Cerise+SPTF: Who We Are

## Two Entities with a joint purpose





# 60 — decibels

## Who We Are

- Is a global, tech-enabled impact measurement company
- Brings speed and repeatability to social impact measurement and customer insights
- Provides benchmarks of impact performance
- Has a network of 830+ researchers in 70+ countries
- Has worked with more than 800 of the world's leading impact investors, companies, foundations, corporations, NGOs, and public sector organizations.





# MFR

*Make the Difference  
We Prove It*



**MFR** is a global rating agency specialized in inclusive and sustainable finance. It provides independent and qualified services aiming at enhancing transparency, facilitating investments and promoting responsible practices of the sector worldwide. MFR is one of the most active rating agencies with more than 2,400 assessments carried out in over 105 countries.

[www.mf-rating.com](http://www.mf-rating.com)



**10** Universal Standards for  
Social and Environmental  
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 **CERISE SPTF**

# Questions we will answer

1. What is your outcomes management system? How has your thinking about outcomes management changed over time?
2. 60 Decibels recently conducted a large survey of outcomes in financial inclusion. Describe the tool you used and lessons learned.
3. Cerise+SPTF are launching research to explore the connection between SEPM and outcomes. Please explain.
4. Are there any outcomes indicators that are deceptive? How do you know you are analyzing the data correctly?
5. Report back from yesterday's outcomes session.



# Question 1

- Please describe your current outcomes measurement/management system. How has your thinking about outcomes management changed over time? For example, has your theory of change evolved? Do you track different indicators now than you used to? Do you collect data at a different frequency from before?

# Impact Assessment Methodology

## Sources

- 1. MIS database
- 2. Client survey:  
in person or by phone



## Analysis

- Merge MIS+survey
- Statistical tests
- Correlations, breakdowns



## Results

- SPTF indicators
- Accountability
- Benchmarking



<https://www.mf-rating.com/products/impact-assessment/>



# Impact Assessment

## Mibanco - Peru



**877,259**  
Active Borrowers



**USD 3,330.7 M**  
Gross loan portfolio



**313**  
Branches

### Mission

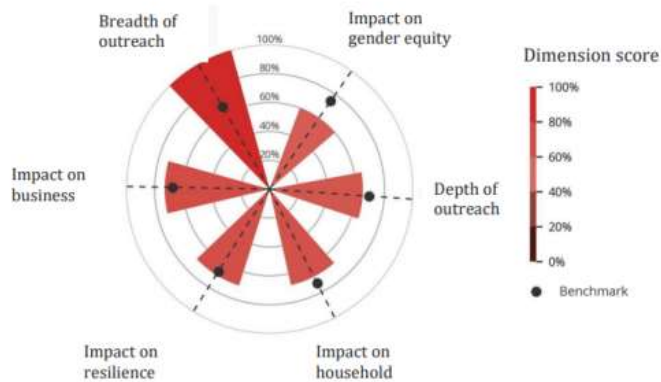
We transform people's lives, committed to their financial inclusion and progress, contributing together to the growth of the country.

### Theory of Change

Promote the transformation of lives through the spiral of socio-economic progress from financial inclusion. The comprehensive offer of financial and non-financial services seeks to boost the economic growth of the business and its formalization, the client's ability to successfully manage the business and resilience, and finally a higher level of household income to improve their living conditions.

### Impact Score 4/5

High probability of generating a positive impact in the lives of clients. Good alignment of impact results with the mission and theory of change.



### Clients Reached

Breadth of outreach higher than the national and regional benchmark. Depth of outreach results adequately aligned with the declared target population in terms of clients and households socioeconomic profile.



49% Women borrowers



13% Rural borrowers



63% Average loan balance on GNI pc

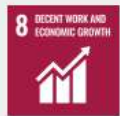


89% Portfolio in income generating activities

## Impact in Clients Lives

Positive changes in the growth and resilience of the business at the level of assets and income, attributable to the intervention of Mibanco, despite the health emergency due to COVID-19. Significant positive correlation between access to financial education services and financial and digital training, and the results of positive change in business and household income, in line with the institution's theory of change. Significant shares of clients have made improvements and acquired key assets for the home and have strengthened their capacity to cope with crises.

### Business



Increased business assets



Increased business income



Increased the number of paid employees in their business



Borrowed the first formal credit for their business from the provider

### Household



Increased household income



Made at least one home improvement



Acquired at least one additional key household asset



Changed to a more energy efficient source for cooking

### Resilience



With higher capacity to access medical care



With higher capacity to pay for education



With higher capacity to cope with adverse events contingencies

### Gender



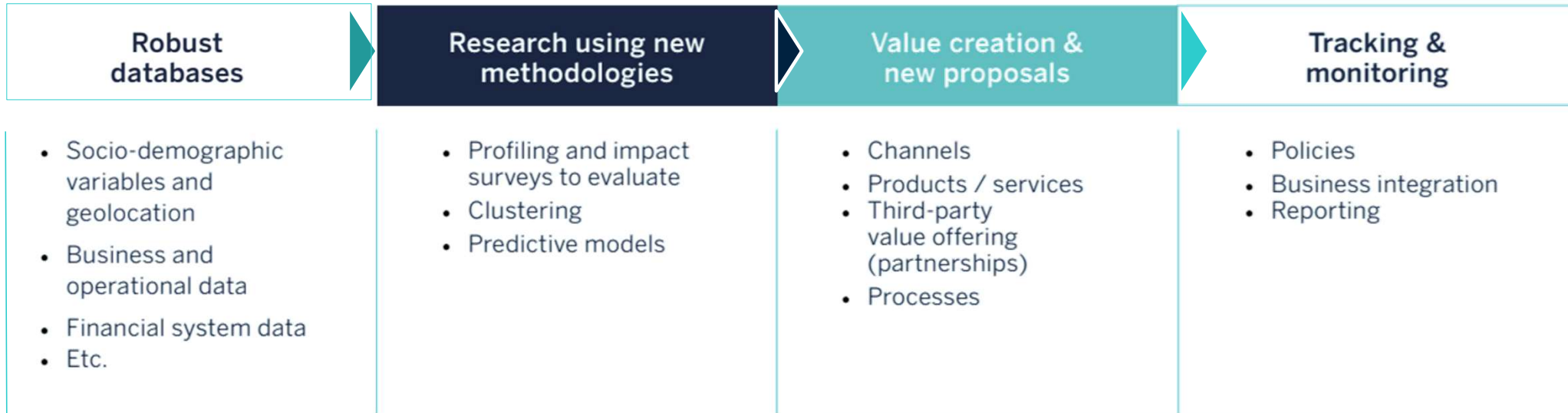
Women with greater capacity to contribute financially to the household or business



Women with access to an educational program



## Our process



The analysis is based on the information we manage on a daily basis and is crucial in designing targeted interventions that increase social impact ”

We work to maximize the social and economic impact on entrepreneurs in a situation of vulnerability by means of applied research ”






# Our approach towards well-being

## Multidimensional poverty



The internal multidimensional poverty index

	Dimension	Indicator	Weight (%)
	<b>Education</b>	School attendance	11.11%
		Years of schooling	11.11%
		Learning lag	11.11%
	<b>Health</b>	Health insurance	11.11%
		Access to water	11.11%
		Sanitation	11.11%
	<b>Housing</b>	Overcrowding	11.11%
		Housing materials	11.11%
		Internet access	11.11%

We want to understand entrepreneurs in all their dimensions, beyond the solely economic, and anchor this to an international standard”

### SOPHIA Oxford & BBVAMF



Poverty  
threshold  
**33.33%**



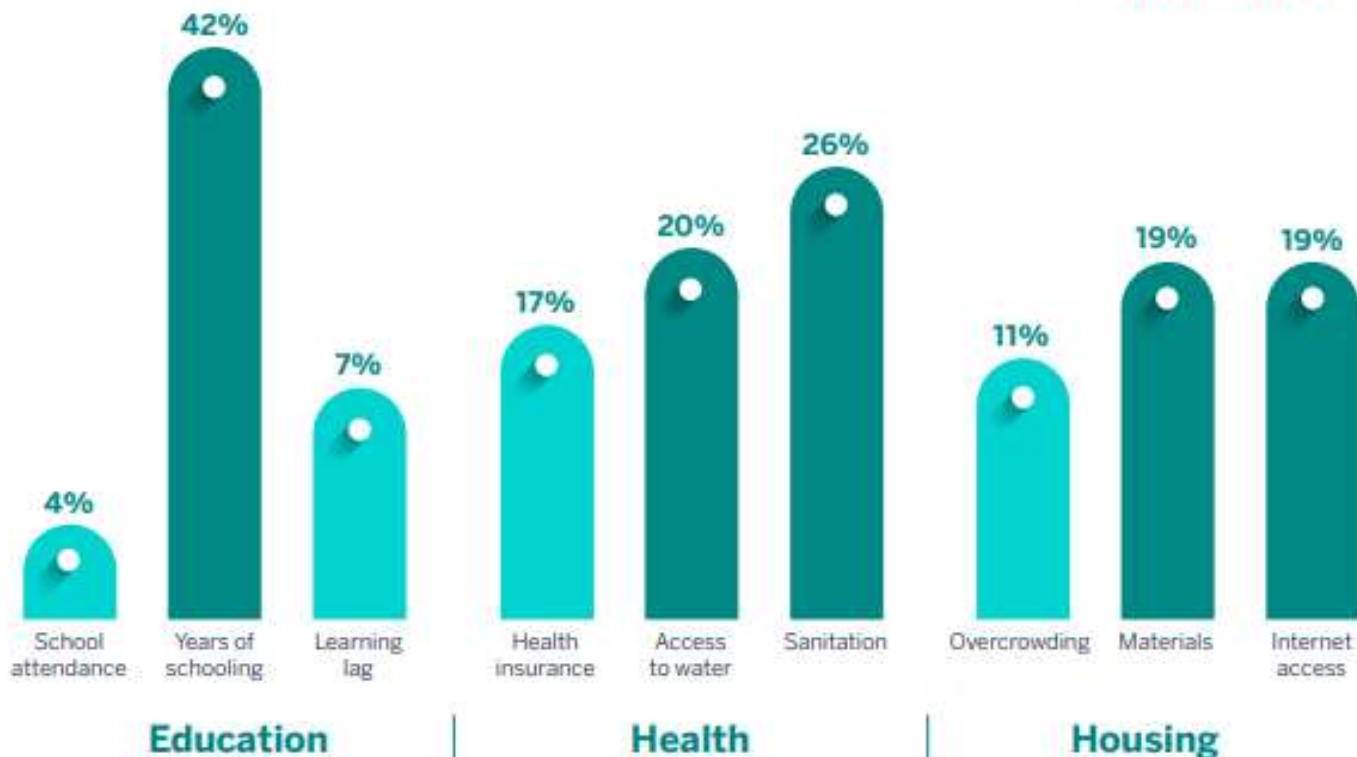
A client is poor when they live in a household with 3 or more deprivations



## Aggregate results

### Incidence of deprivations

Total households with deprivations, by dimension



The greater the understanding of poverty, the better the solutions

**IMPI-FUN | 0.099**

Incidence (H,%)	24.2%
Intensity (A,%)	41.0%

## Question 2

- 60 Decibels recently did a large survey of outcomes in financial inclusion. Please briefly describe the tool you used, and share with us your key lessons learned,

# The Index

The Dimensions	Indicators
 <b>Access</b>	<ul style="list-style-type: none"> <li>&gt; Clients accessing a loan for the first time</li> <li>&gt; Clients without access to good alternatives</li> <li>&gt; Inclusivity Ratio</li> </ul>
 <b>Business Impact</b>	<ul style="list-style-type: none"> <li>&gt; Very much increased business income</li> <li>&gt; Increased number of paid employees</li> </ul>
 <b>Household Impact</b>	<ul style="list-style-type: none"> <li>&gt; Very much improved quality of life</li> <li>&gt; Very much increased spending on home improvements, education, healthcare, &amp; quality meals</li> </ul>
 <b>Financial Management</b>	<ul style="list-style-type: none"> <li>&gt; Clients who strongly agree they understand terms &amp; conditions of loan</li> <li>&gt; Very much improved ability to manage finances</li> <li>&gt; Very much improved stress levels</li> <li>&gt; Clients saying their loan repayments are not a burden</li> </ul>
 <b>Resilience</b>	<ul style="list-style-type: none"> <li>&gt; Clients whose savings balance has very much increased</li> <li>&gt; Clients who say very much improved resilience because of the MFI</li> <li>&gt; Clients who never reduce food consumption to meet repayments</li> </ul>

37

Survey Questions

295

Research Assistants

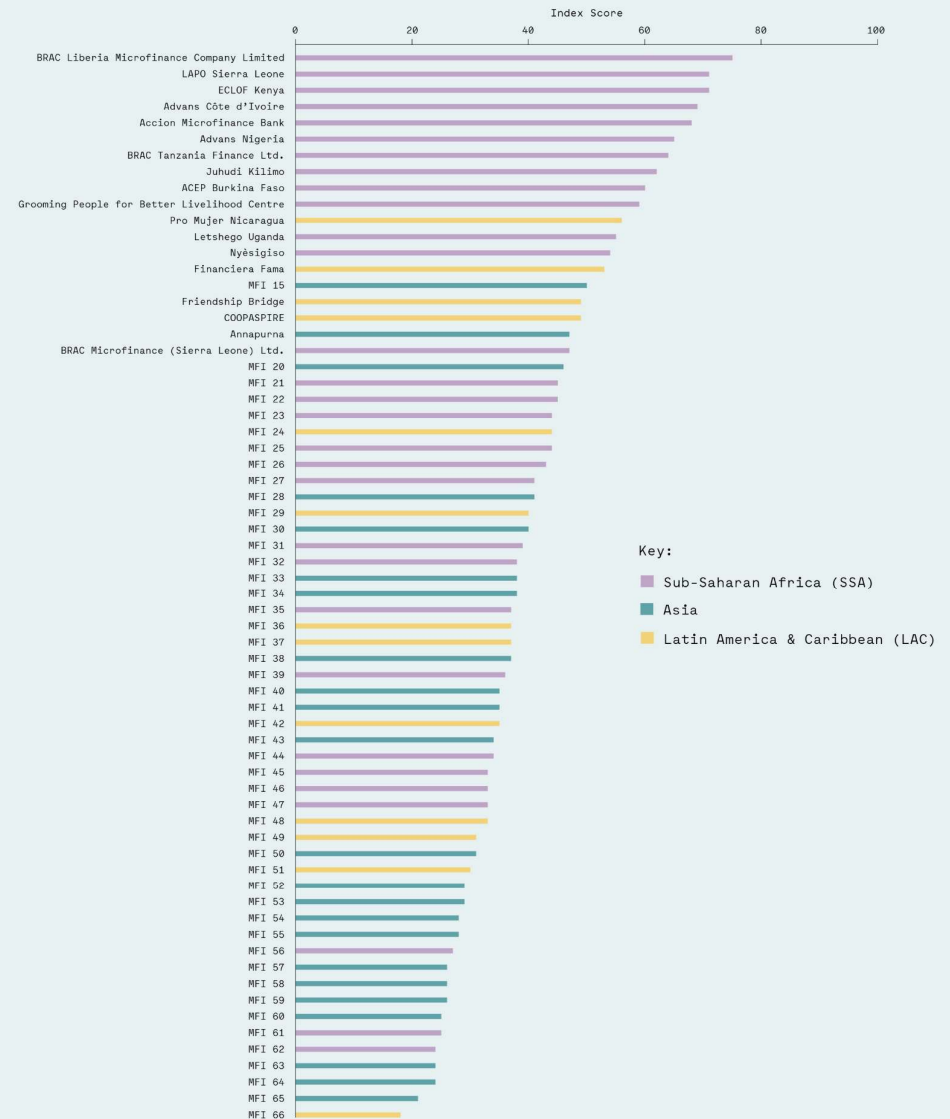
287,000

Est. total minutes of phone interviews



# The Index

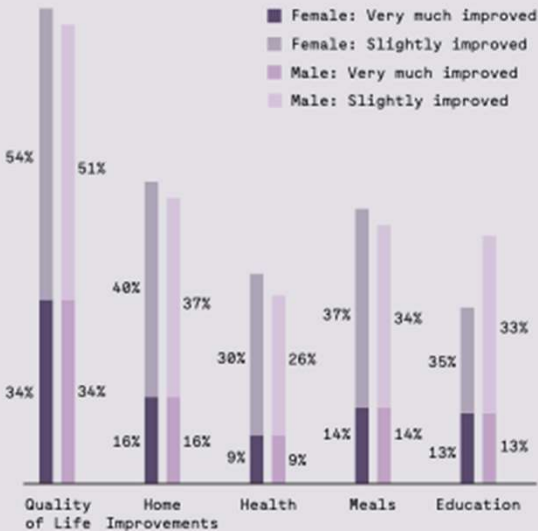
- > MFIs in Sub-Saharan Africa topped the list
- > 4 LatAm MFIs in the top 20; 2 in Asia
- > Wide range of performance (e.g. MFIs from LatAm in spots 9 and 66)



# Insights

**1** 1 in 3 say their quality of life is ‘very much improved.’ Gender differences are small.

Figure 20: Improved Household Outcomes by Gender  
(n = 15,591 to 17,004)



**2** 1 in 4 clients talk, unprompted, about improvements in their business because of the MFI.

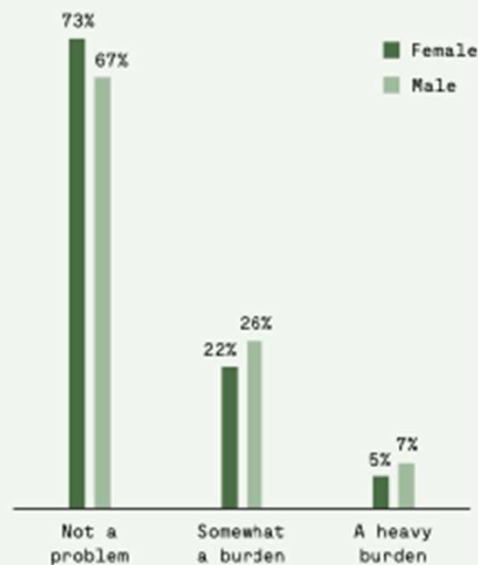
Figure 21: Top Quality of Life Themes  
(out of a sample of 63 MFIs and 16,111 clients)



# Insights

**3** 3 in 4 clients say repayments are not a problem. For 6% they are a heavy burden.

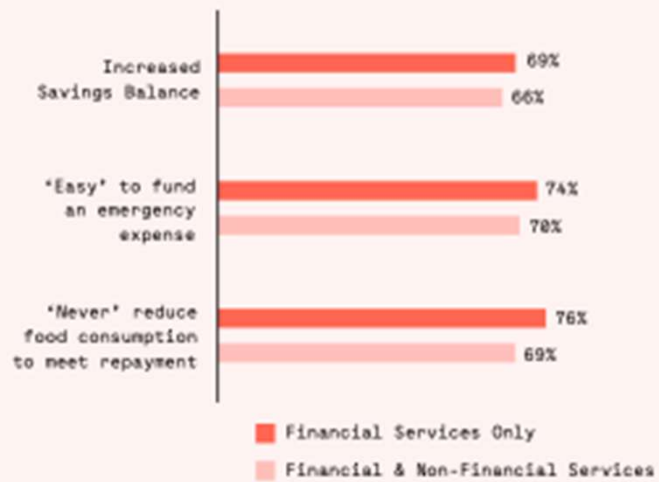
Figure 26: Repayment Burden by Gender  
(n = 16,853)



# Insights

## 4 About 3/4<sup>th</sup> of clients show signs of strong financial resilience.

Figure 30: Resilience Outcomes by Services Offered  
(n = 14,253 to 14,981)



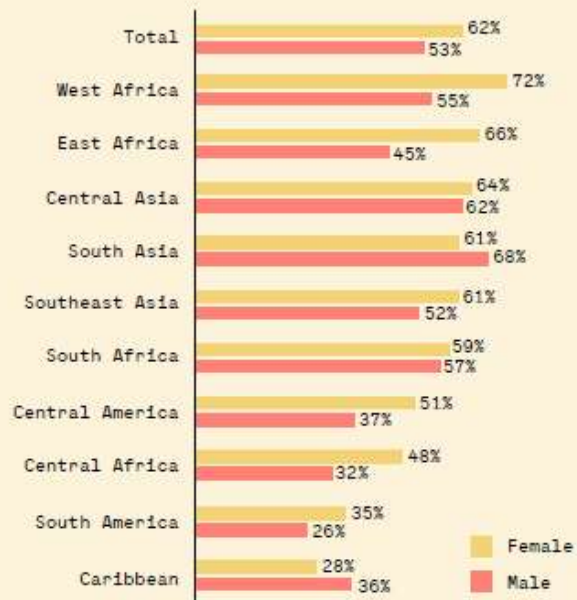


# Insights

## 4 Women say they have fewer 'good' alternatives to their microfinance institution compared to men.

Figure 10: Access to Alternatives by Sub-region

% of clients reporting 'no' access to alternatives total and by sub-region (n = 16,441)\*



# A bigger and better Index

- New Agency Dimension  
(w /2 Additional Survey Questions)



Agency

- > Clients who say their ability to make decisions on what to do with money has very much increased
- > Clients who say their confidence has very much increased
- > Very much improved ability to achieve a financial goal

- Country & Sub-region Benchmarks
- Client Protection Module
- Improvements in Client Level Data

# Question 3

- Cerise+SPTF, with partners, are undertaking a project to analyze both social and environmental performance data and outcomes data so that we can study the link between SEPM and outcomes. Please describe.

# SEPM and 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

# Question 4

- Are there any outcomes indicators that are deceptive?  
How do you know you are analyzing the data correctly?

# Financial mitigation measures



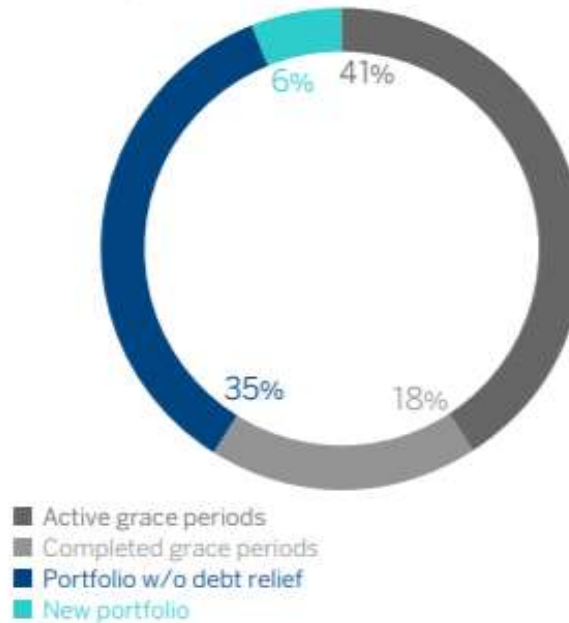
## Extraordinary financial solutions To better accompany entrepreneurs

- |   |                               |                            |
|---|-------------------------------|----------------------------|
| Grace periods   | Emergency credits             | New credits (reactivation) |
| Restructuring & refinancing (longer term, lower rate, others) | Guaranteed lines of financing |                            |

Working with governments and regulatory bodies so that the microfinance sector could participate in special public lines of guaranteed financing

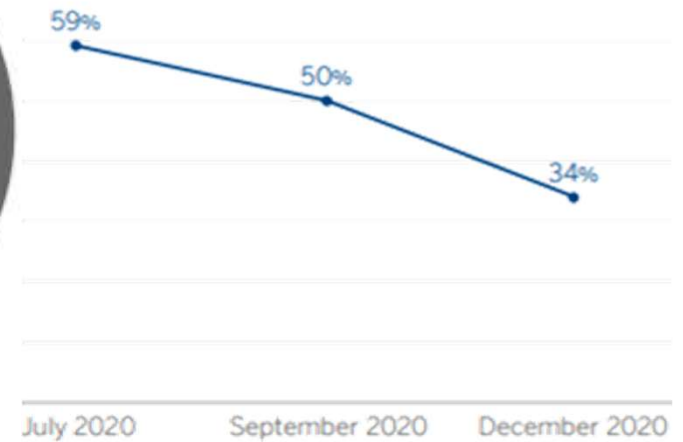
### Portfolio, breakdown by financial solution

% of portfolio current as of July 2020



### Portfolio served with financial solutions

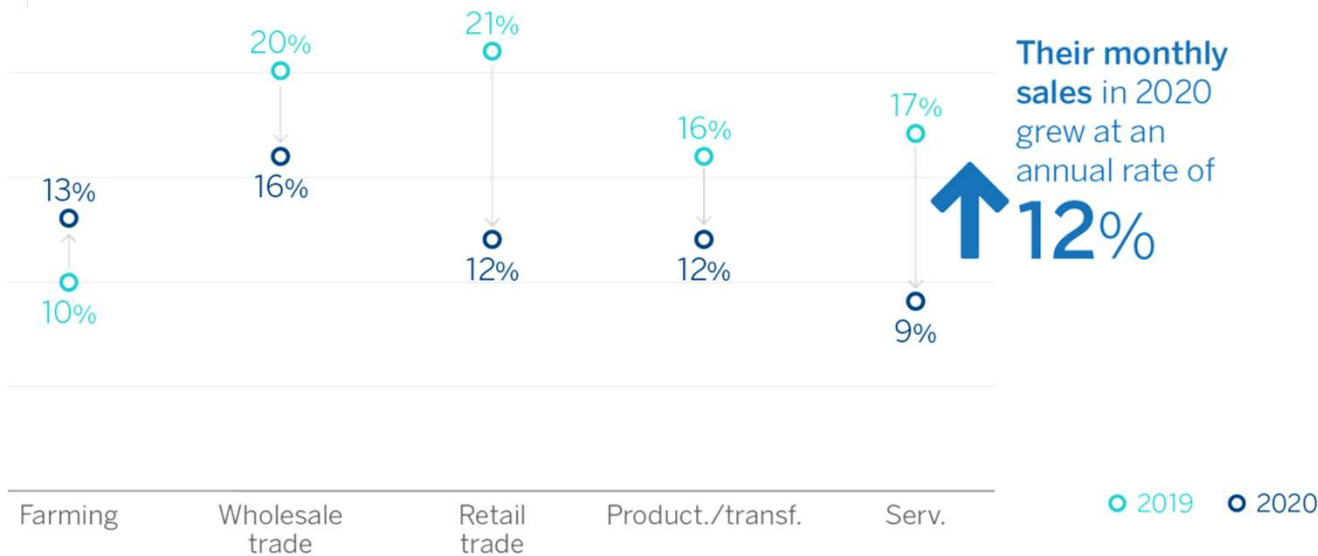
Portfolio current at each date



# Our MIS data showed differently...

## Growth in sales/surpluses

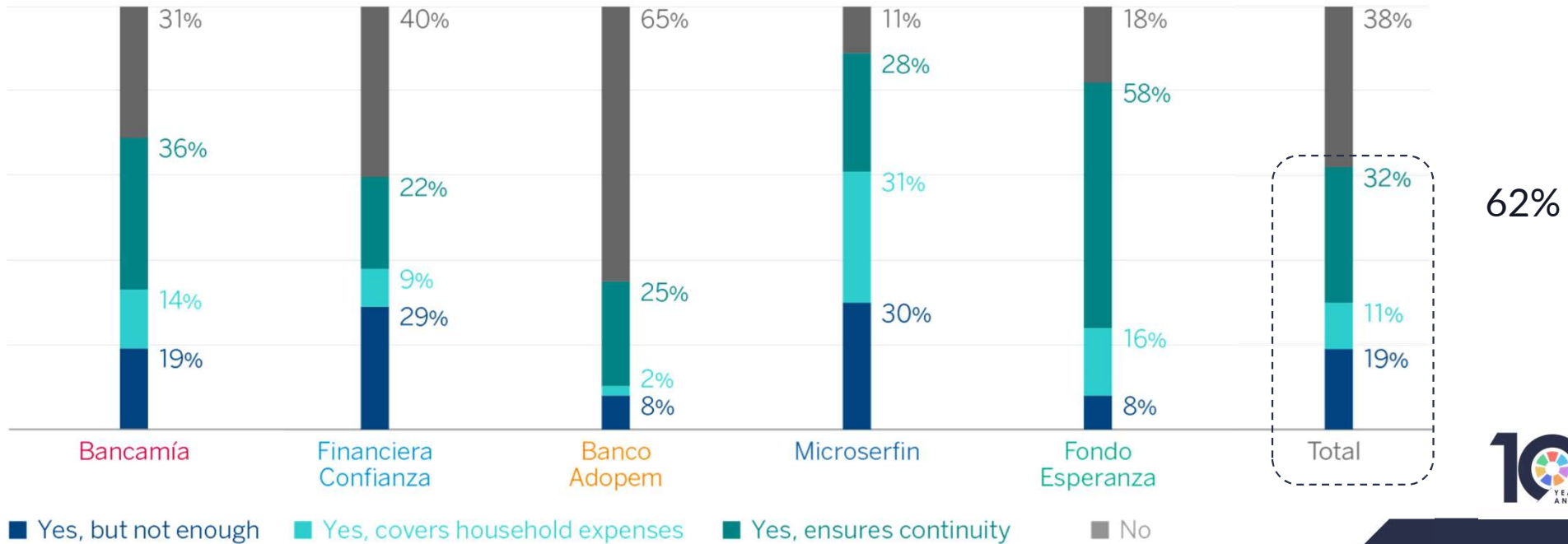
Credit clients with renewals in 2020 and 2019



# Assessment and use of the solution, varies by country

## Assessment of the financial solution

All clients surveyed by November 2020





## 1 Time-lag

There is a lag between data insights and the ability for the FI to intervene

## 2 Link to value offering

Outcomes are not necessarily linked to product/service offering. Also, MIS data shows different results

## 3 Heterogeneity

We look at averages, at mass numbers, but there are many caveats in that analysis, and COVID-19 has increased differences across countries. Trends are not enough.

#### 4 Complexity

Households make many informed decisions, but we just see a tiny piece of that. Once we acknowledge that, we can have more targeted interventions

#### 5 Control groups

It is nearly impossible to have control groups. We need to find methodologies and studies that allow us to be agile

#### 6 Inform 3<sup>rd</sup> parties

Our role is to be allies with other key players, to inform them on what is happening on the ground and find common solutions.

# Question 5

- CERISE led an outcomes workshop yesterday to discuss a harmonized set of outcomes indicators to include in the SPI audit tool. Please summarize the main feedback.

# 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?

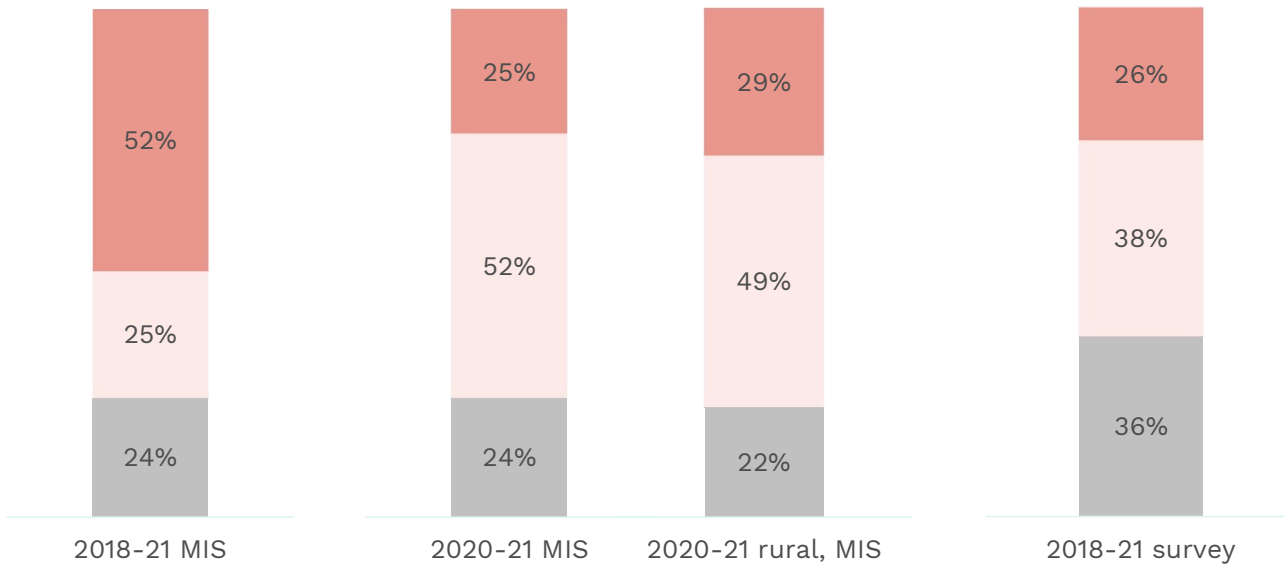
*“If the Management values the data and is making business decisions based on this, then the quality of data can improve”*

- **Income data:** poor recall from one year to the next, not in the MIS, volatile, overestimated
- **Engage with the provider** after the survey
- **Support Management Team**
- **Include key info on MIS**
- **Surveys on sample that allow for meaningful segmentation (gender, products, regions, etc.)**

# Debate

- What is a good outcome?
- Is qualitative data useful?
- Is it fair for an FSP to define its own desired outcomes for clients, even if they differ from what clients say they want?

## Change in clients' business income



**MFR**

■ Negative change   ■ No change   ■ Positive change

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# Questions and Answers

Have more to say? Please stay in touch!

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Lucia Spaggiari: [l.spaggiari@mf-rating.com](mailto:l.spaggiari@mf-rating.com)





Thank you  
for your  
kind  
attention  
*Merci pour  
votre  
aimable  
attention*

