Lab ODD

The road for impact by Cerise

Make the SDGs a roadmap for impact!

Measuring the contribution of microfinance institutions, social businesses, and impact investors to the SDGs.

July 2020 - June 2023

AFD
AGENCE FRANÇAISE
DE DÉVELOPPEMENT

Where do we want to go with the LabODD

- **Strengthen outcomes measurement** with the beneficiaries, in connection with the **SDGs,** to make **good decisions, have a better impact!**

- **Working grou led by LabODD** : French and international NGOs, investors and their partners in Africa and South Asia.

- **For MFIs, social enterprises (agri and energy), social investors**

- **Mainly in Africa** (Burkina-Faso, Ethiopia, Madagascar, Senegal, Togo) and in **Asia** (India, Myanmar, Philippines, Cambodia)

- Duration: **3 years** (2020-2023) - co-financed by AFD (60%) and co-financing e-MFP, Incofin, BlueOrchard, NMI, etc.

Objective of the meeting today

- **Sharing the state of practices**

- **Identifying key challenges on the first steps: data quality, analysis of existing data**

- Through concrete examples

  - What is the **Business case** and challenges for Outcome measurement: **Opportunity International**

  - Outcome measurement and **link with the SDG**: **ESAF India**

  - Customer Outcome programme, data quality and analysis by **Oikocredit**

  - Better use of **existing data:** field example, **work in progress by SPTF**

Opportunity International – Approach to Outcomes Measurement

Opportunity International: Mission-Based NGO Network

- Commitment to outcomes measurement around Social Goals for <u>two</u> purposes:
    - Performance management: understand what works, act on feedback, improve outcomes
    - Accountability: to our funders, staff, clients
- Financial Programs: 40+ partners, 6.5m/12m+ loan/savings clients, plus Edufinance, Ag Finance
- Increasing Focus on Non-financial Programs: Health, Education and Womens Empowerment.

What does our Approach to Outcomes Measurement look like

- Regular, short surveys, large samples: practical, cost-effective approach.
- Income (PPI), welfare, assets, health/education/WASH indicators.

What else do we do in the M&E space

- Promote client satisfaction, client complaints, client exit analysis
- Promote Client Protection Principles and Universal Standards of SPM

OPPORTUNITY
International

Progress (and Challenges) in Outcomes Measurement

Progress

- Leading partners manage an end-to-end process (eg ESAF, Cashpor, KOMIDA) of data collection, analysis and reporting

- Many other partners do not: they lack the capacity to report client level data, or are not sufficiently bought-in

- Built a culture of reporting and benchmarking social performance at an institution level: 95% of partners complete SPI4 quarterly and submit to Opportunity/CERISE

Challenges/Barriers

- Cost

- FSP Buy-in (when main focus is financial/operational performance)

- Data Quality

- Capacity to manage data – store, analyse, report

- Results – Reality Gap (due to the Complexity of Poverty Alleviation)

OPPORTUNITY
International

Where Next in Outcomes Measurement

- **Improve Data Quality**
  - Keep surveys simple, easily verifiable, less than 15 minutes
  - Training for field staff

- **Build FSP buy-in**
  - Start with Board, CEO and management
  - Ensure MIS, Operations are engaged
  - Toolkits, standard indicators, local support
  - Provide ongoing support and build capacity to manage/analyse data

- **Advance the discussion**
  - Acknowledge that Pathways out of Poverty are Complex
  - Focus on practical outcomes measurement, not proving impact
  - Redesign Evaluation to meet all stakeholders needs

OPPORTUNITY
International

Embedding and Measuring SDG for Sustainable and Responsible Business

A Case of ESAF Small Finance Bank

K Paul Thomas
MD and CEO-ESAF SFB

Why do we work on SDG?

➢ SD Goals align very well with our vision and mission and hence working on SDG helps to realise our vision and mission.
➢ It enhances the practice of responsible banking with our bank.
➢ Help to track and monitor the ESG goals set by our bank and report to the stakeholders.
➢ Help to develop tools required to systematise and integrate the practices

ESAF
ESAF SMALL FINANCE BANK
Joy of Banking

Linking products and services with SDG for a holistic sustainable approach – an example

SDG	Enabling Access to meet SDG	The Bank's Actions	How do we measure this?
1 NO POVERTY	**Access to finance** - Small finance, savings, insurance, pension, Micro RD to inculcating saving habits among the underprivileged.	Opportunities for the vulnerable segments to borrow, save and invest ✓ Zero Minimum Balance Accounts ✓ Micro RDs ✓ Livelihood loans ✓ Hrudaya Deposit for responsible participation from community ✓ Health Insurances	✓ Linked to system and data extracted from MIS-Data analysis ✓ Use of PPI (Progress Out of Poverty Index) ✓ Product performance trend analysis ✓ Beneficiary case study-Qualitative assessment
3 GOOD HEALTH AND WELL-BEING	**Access to Health awareness and health care.** - Arogyamithras ,Health awareness ,Health Camps, Group Health Insurance	Improve physical and mental health and overall well-being of the customers so as to reduce the risks associated with morbidity and mortality. ✓ **Vayo Jyothi** Accounts ✓ **Specialized Schemes** for Sr Citizens ✓ **Health Insurances** -	✓ Tracking Insurance claims-Support from TP ✓ Barefoot counselors-Arogyamitra-CSR reports ✓ Survey among senior citizens to understand their well-being

ESAF SMALL FINANCE BANK
Joy of Banking

How is the information reported and used in ESAF

- Info is used for new product development or improvising the existing products.
- SPM data is reported on a quarterly basis to the board using a SPM dashboard.
- Quarter on quarter, sustainable product performance is analysed and reported and appropriate decision is taken by assets and liabilities team.
- Customer need assessment survey findings and market scoping exercise findings help in development of new customer centric sustainable products.
- Findings are shared in the quarterly board meeting and circulated among the head of the departments.

ESAF
ESAF SMALL FINANCE BANK
Joy of Banking

What are the advantages?

- To be able to develop and offer customer centric differentiated products.
- To attract social investors
- To enhance satisfaction levels of customers and improve customer retention.

Challenges faced in

- ✓ Integrating SDG in overall strategy so as see ownership by all the staff and stakeholders
- ✓ Streamlining portfolio towards sustainable development.
- ✓ Staff coming from other banks may not well understand these concepts. Creating value based banking among staff.
- ✓ Mitigation of risks involved in financing SDGs.
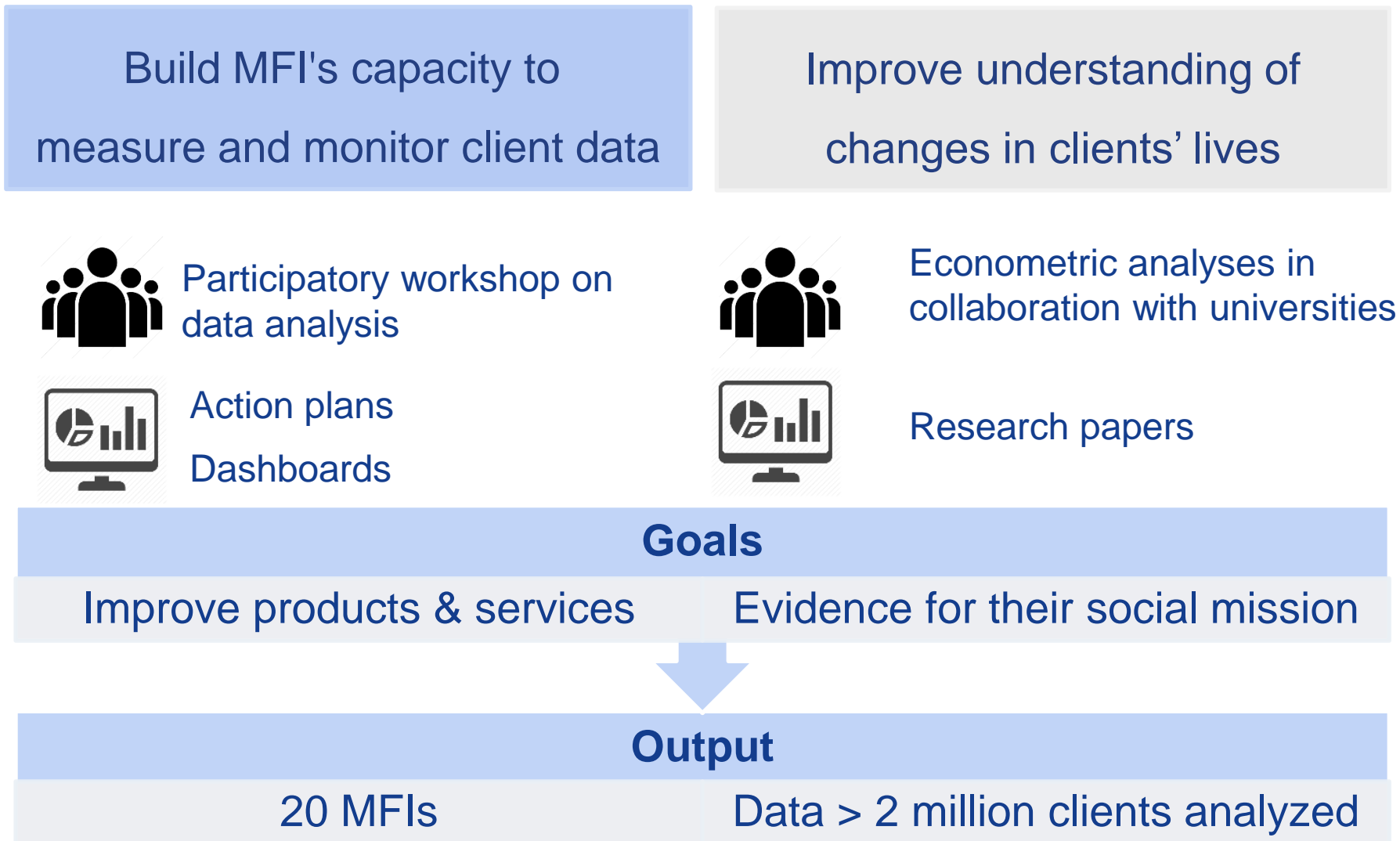
Thank you

Client Outcomes Programme

Kawien Ziedses des Plantes, Social Performance Specialist

Marilou Juanito, Social Performance & Capacity Building

OIKO CREDIT

investing in people

Client Outcomes Programme to tell the story of change

Build MFI's capacity to measure and monitor client data	Improve understanding of changes in clients' lives
Participatory workshop on data analysis	Econometric analyses in collaboration with universities
Action plans Dashboards	Research papers

Goals

Improve products & services	Evidence for their social mission

Output

20 MFIs	Data > 2 million clients analyzed

OIKO CREDIT
investing in people

Client Outcomes Programme – MFI inhouse workshops
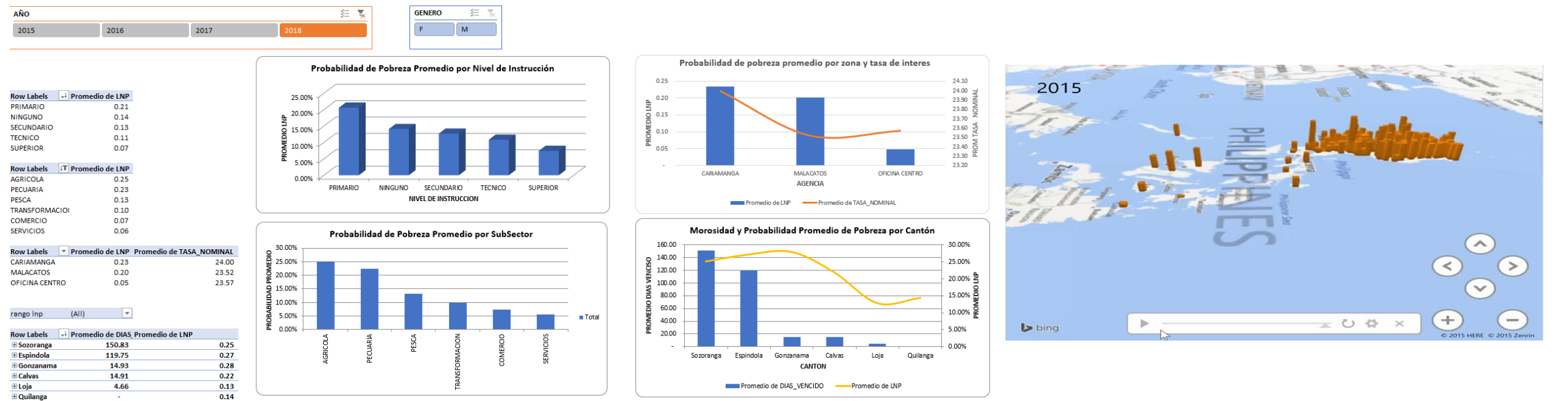
During the workshop:

- Workshop with the MFI's staff to analyse client data (5 days)

  - Map organization's mission to data collected
  - Build a tool in Excel/Power BI/Tableau (dashboard) to analyse clients' data over time.
  - Link the financial analysis with socioeconomic characteristics of the client.
  - Come up with recommendations to reduce the portfolio risk and improve financial services.

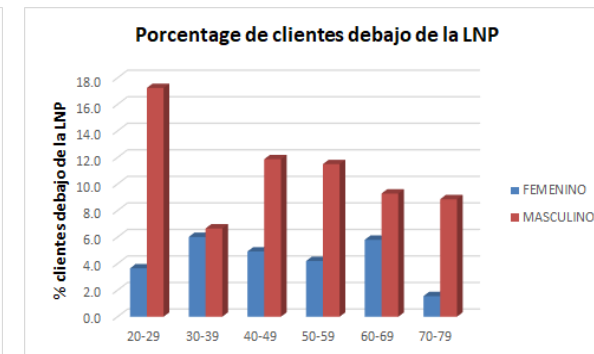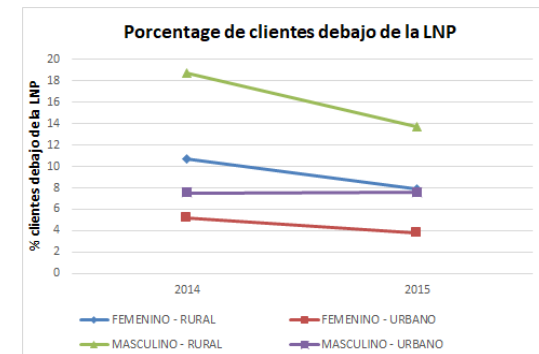- **Examples (see next slides)**

Examples of dashboards created by MFIs during workshop

Results

1. Dynamic dashboard to consult on socioeconomic information of clients
2. Maps
3. Recommendations

Example of action plan after the workshop

Action	Date	Responsible
1. Monthly monitoring of indicators	June/2018	
2. Integrate social indicators to monthly financial reporting	June/2018	
3. Regular data cleaning exercise	June/2018	
4. Monthly update of dashboards	June/2018	

- Follow-up from local staff on the action plans created at each milestone
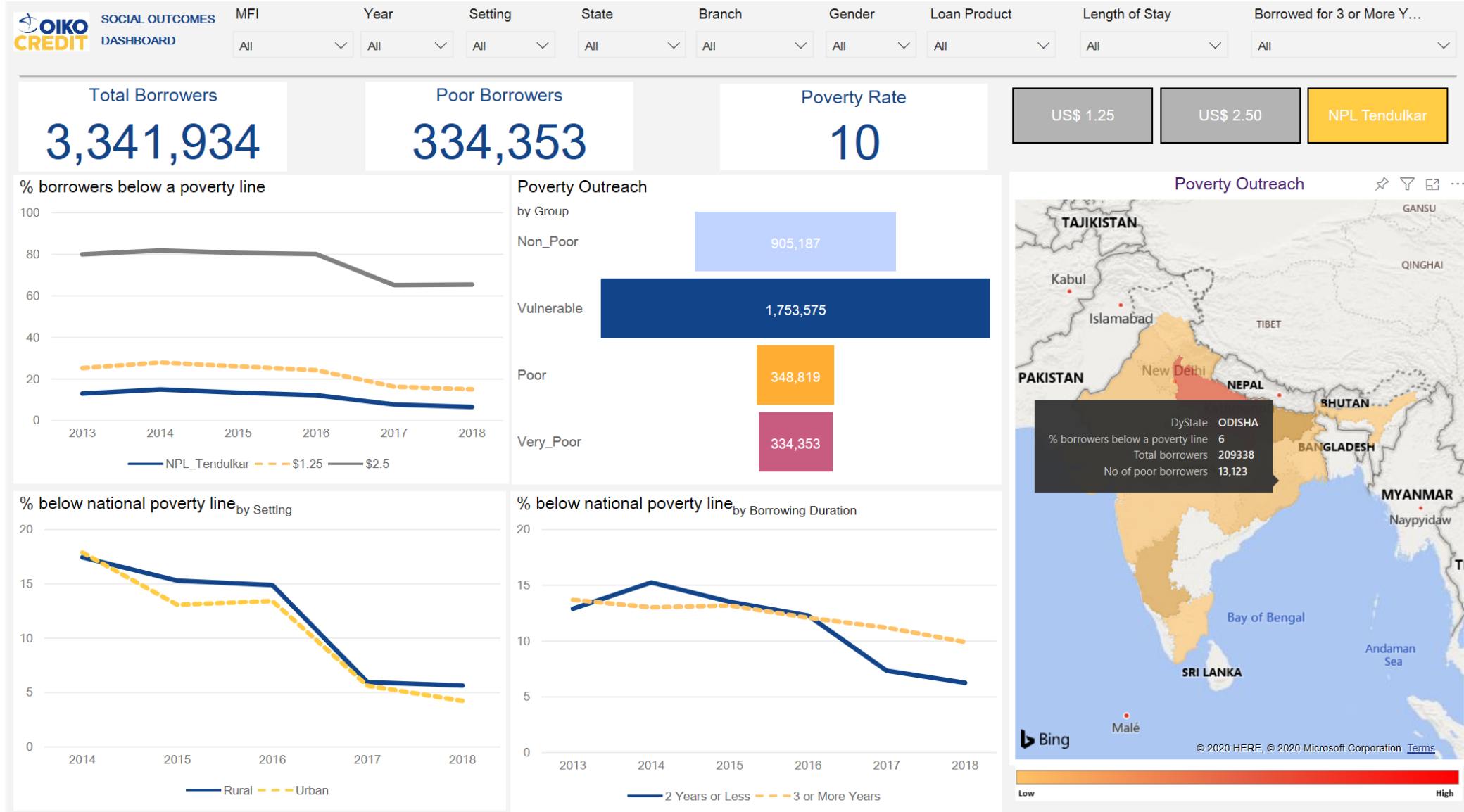- Support with data collection and analysis from trainers at OI and local staff

OIKO CREDIT
investing in people

Example of an interactive dashboard for best in class MFIs

Borrower data on occupation, loan amounts, income, gender and MAP
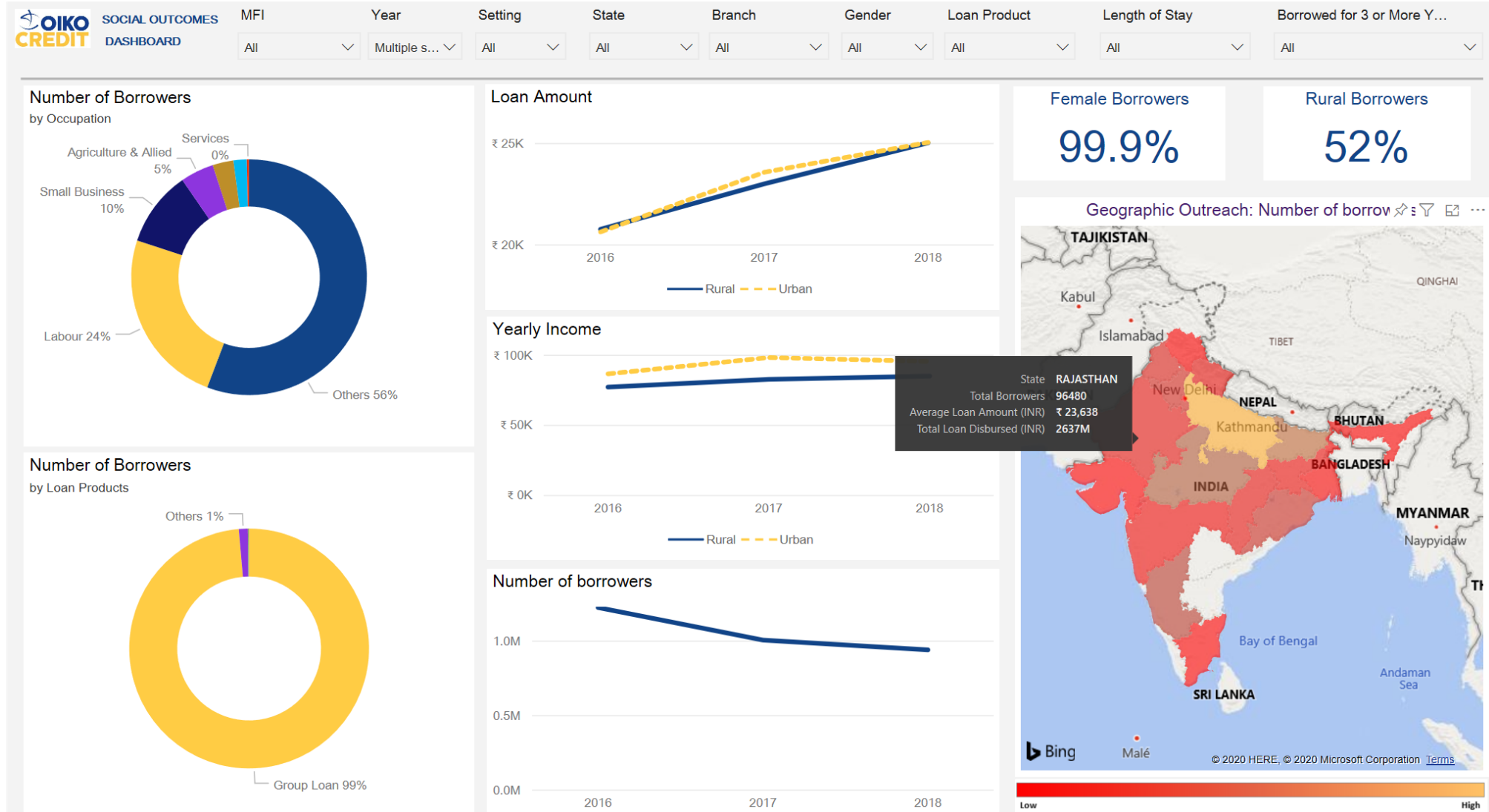
Example of an interactive dashboard for best in class MFIs

Borrowers by poverty levels, three different poverty lines, trend over time

Evaluation of the COP programme

Project
- Project management of the programme

Training
- MFI valued the training

Research
- Operational research and partnership opportunities

Value
- MFIs would like more follow up

OIKO CREDIT
investing in people

Data management – steps to value

- Data definition: strategy, selection, plans, resources,

- Data collection: time, incentives, commitment, audit

- Data input and transmission: tools, control

- Data storage: electronic, linking sources (transaction, client profile, etc.), organization of data before analysis

- Data analysis: capacities (internal vs. external), format/ tools (excel as a basis), context, segmentation, benchmarks

- Use of the results: data vizualization, dashboard, commitment

Data quality: what do we mean?

- Accuracy (self assessment, control by audit, commitment of field staff)

- Availability, homogeneity, quality of MIS, client database (contact, profile, etc)

- Completedness, representativeness/ bias in samples, attribution (for impact)

- Granularity

- Relevance

- Reliability (understanding by client, interpretation of answers, translation)

- Timeliness

Data quality: a story from the field
MFI in Asia – PPI data collection (1/2)

Accuracy, tested by audit team

- 94% of PPI scores collected by LOs do not match the scores of Audit team (average spread of score 11.6/100)

- 26% of PPI scores collected by LOs do not match data encoded at cluster level

- 94% of PPI scores encoded in the MIS do no match the scores of Audit team (2.6 average spread)

Data quality: a story from the field
MFI in Asia – PPI data collection (2/2)

Reasons (at field level):

- Old PPI version, LO do not trust the tool (underestimate effective poverty level)

- Burdensome requirements to visit house of clients in face of high productivity requirements (350 clients/LO)

- Monthly cash incentives only based on financial performance targets

- "*sometimes have to lower the score to accept poor clients*"

- Lack of accuracy check and control by audit team

- "*I often randomly do the assessment for subsequent loans, because I lack time. Indeed, handling 15 clients per center and having only 1h or 2h available per center makes it too short to conduct thorough assessments*"

SPTF – Analysis of existing data

- Focus on existing data (transaction, client profile) with 4 financial service providers (2 LAC, 2 Africa)

- Lots of data quality control and error fixing

- Simple analysis, by segment of clients: Gender, age, branch, how long with FSP

- Surprised by some results, for example:

  - Nb of women growing but % as of total clients was declining

  - Gap getting bigger on the average size of loans given to women and men

  - Young using more one type of saving products while not targeted for them, etc.

⇒ **Analysis of existing data by segments give insight for qualitative analysis, or decision-making**

Source: Work in progress by SPTF with support of Jacobo Menajovsky

Next steps LabODD

- Next LabODD (virtual) meeting on November 24 in French (follow up of this meeting)

- CERISE will share the **results** the inventory questionnaire / state of practices on outcome measurement / summary of discussions (December)

- CERISE/SPTF/eMFP to finalize **guidance note** on better using existing data, using the SDG framework to select indicators and report on social achievements (Q1 2021)

  ➢ Guidance for FSP

  ➢ Guidance for investors/Networks to support their investees/partners

All comments and suggestions are always welcome, by email, Skype, WhatsApp, etc.!

c.fernandez@cerise-spm.org

LabODD News on CERISE website