**Outcomes Working Group**

**Brief on Session 1: Introductory Session**

*(held October 2014; speaker was Frances Sinha of EDA Rural Systems)*

*In October 2014, the Social Performance Task Force (SPTF) launched the Outcomes Working Group. Its purpose is to develop practical guidelines for credible measurement of and reporting on outcomes, drawing on experience with different approaches and tools.*

SPTF formed this working group in response to agreement at the its annual meeting in June 2014, in Dakar, on the importance of improving measurement of client outcomes in microfinance, because:

* Measuring outcomes is essential to achieving benefits for clients; outcomes data not only reveal what changes are happening in clients' lives, but also help financial service providers (FSPs) understand how to improve performance.
* Impact investors direct capital to sectors where there is evidence of positive change.
* Credible communication of outcomes can improve the reputation of the sector.

|  |
| --- |
| **Credible measurement and reporting involves**: answering the relevant questions, selecting indicators that can be implemented at reasonable cost, delivering reliable quality of data, making clear conclusions, and linking an end-to-end process of accountability and improvement. |

The introductory session of the Outcomes Working Group focused on four topics:

1. Credibility issues
2. Introduction to an end-to-end process for outcomes measurement and reporting
3. Common concerns, obstacles
4. Future topics for this working group

This brief is a summary of the information shared and discussion on each of these topics.

**Credibility issues**

In its measurement and reporting on outcomes, the microfinance sector must take care to be credible in several different aspects:

* What we measure. Let's be realistic about the outcomes that microfinance can achieve, recognizing the ‘micro’ nature of the inputs, the variation in inputs and their use (for smoothing consumption, growing enterprises, managing risk, building assets), and short-term/intermediary outcomes versus longer term outcomes (the time for change).
* How we measure. There are practical choices to be made on the tools for data collection, but whatever the method, quantitative or qualitative, there are issues in ensuring the quality of data; any sampling should be representative. Having a baseline for follow up is the most robust approach to tracking change over time.
* How we analyze. Analysis helps us to make full use of the data, taking into account differences in ‘starting points’ for clients, in context, and use of inputs. Variations in outcomes, and their reasons, are as important as averages.
* How we report. Aim to be short and clear; focus on meaningful data with simple tables, graphs; not just a set of findings, and also draw conclusions and implications.

**An end-to-end process for measuring outcomes**

Effective measurement and use of data should be part of an end-to-end process that involves: goal setting, selecting indicators and appropriate tools, data collection with quality checks, storage and validation of data, analysis, reporting, and using data to make decisions. This reflects guidelines of Social Impact Measurement Working Group (G8).

**Common concerns and obstacles**

Many FSPs are currently engaged in measuring outcomes. Outcomes Working Group members raised a number of concerns and questions largely on implementation and technical aspects:

* The data we are sharing is not always credible. This can be due to weaknesses on any aspect - data collection procedures, lack of quality checks, limited analysis.
* If baseline data is lacking, the alternatives are not reliable.
* There is a wide range of tools and practices, each with strengths and weaknesses. Which tool to use in what context, or how to combine tools and practices to greatest effect?
* What constitutes an adequately sized and representative sample?
* How to interest FSPs in measuring outcomes data? Some are not committed to doing this.
* What skills are needed among employees to collect and analyze social data well, and what training techniques are useful to build these skills?
* How to store data well? Specifically, what management information system (MIS) capacity and design are recommended? What is the best alternative for storing data in cases where the MIS cannot do so?
* What is the most effective way to disseminate outcomes information internally, so that employees understand and use it?
* When we report externally, how can we ensure alignment of terms we use (e.g., does each organization reporting on outcomes for "rural" clients define "rural" the same way)?

**Some future topics to be discussed by the Outcomes Working Group**

Future discussions of this working group will likely include the following topics:

Theory of Change; Indicators; Tools; Using the PPI; Sampling; Analysis and Reporting

An end-to-end process for data collection, quality check, and use

Experience with externally commissioned studies

When/how randomized control trials (RCTs) are useful

|  |
| --- |
| A number of examples of recent practice were mentioned during the webinar. We welcome sharing of examples. Future webinars will draw on these examples, and provide a platform for showcasing outcomes measurement in practice, exploring the challenges and the issues, and working toward guidelines on what works best, in a practical way, at a reasonable cost.  |

*The working group is open to all stakeholders:*

*practitioners, networks, TA providers, investors, researchers, subject matter specialists – academics*

*Contact us to share your experience:* *info@sptf.info*