

Parallel Session

The Drivers for Better Outcomes

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



60 _decibels



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)



60 _decibels





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

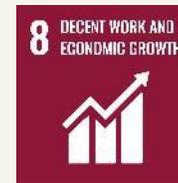
A proposed standard framework aligned with the Sustainable Development Goals

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



- 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



Download the [Brief](#)

With the support of



THE GOVERNMENT OF THE GRAND-DUCHY OF LUXEMBOURG
Ministry of Finance



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
 - *Using digital technology and MIS to collect data*
3. We've adjusted our expectations of what financial inclusion can achieve
 - *The SDGs as a common framework*
 - *Focus on direct changes and clients' perceptions*
4. Investor interest in outcomes is growing
 - *Willingness to support outcomes management (from collection to analysis)*
 - *Push for more reporting, better understanding at the end-client level, and sharing data?*
5. Outcomes management is still challenging for most providers

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

5

Impact Themes

18

Indicators

100%

Comparability

60__decibels

The 60dB Microfinance Index

The Dimensions	Indicators
 <p>Access</p>	<ul style="list-style-type: none"> > Clients accessing a loan for the first time > Clients without access to good alternatives > Inclusivity Ratio
 <p>Business Impact</p>	<ul style="list-style-type: none"> > Very much increased business income > Increased number of paid employees
 <p>Household Impact</p>	<ul style="list-style-type: none"> > Very much improved quality of life > Very much increased spending in <ul style="list-style-type: none"> • Home improvements • Education • Healthcare • Quality Meals > Very much improved ability to achieve financial goal
 <p>Financial Management</p>	<ul style="list-style-type: none"> > 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
 <p>Resilience</p>	<ul style="list-style-type: none"> > 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

Top 20 Performers



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



USSEPM

60Db correlations and positive feedbacks

Things to improve

SOCIAL STRATEGY

- **Mission to focus on MSMEs with limited access to financial services achieved:** e.g Cote d'Ivoire, 88% of clients with no access to similar loan before 89% on Dimension 1 – Social Strategy in SPI

- **Women were impacted differently in each market.** Advans did not have a specific Gender strategy
 => **making women more a central part of our social mission**

CLIENT CENTERED PRODUCTS & SERVICES

- **Value of a wide range of products**
 54% of clients significantly increasing their revenue:
 80% on Dimension 3 - products and services in SPI

- **More nascent impact on specific aspects like education or health.**
 => expanding offers like Education savings and loans and health insurance (especially in RCI & Nigeria).

CLIENT PROTECTION

- **Prevention of over-indebtedness:** e.g. Nigeria
 88% of clients said they never had to cut consumption.
 +75% fully conform on credit policies and procedures

- **Correlation between transparency and the likelihood to recommend.**
 Both 60 dB and SPI4 scores show we need to work on improving transparency

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

	Index Score	Access Score	Access indicator: alternatives*	Access indicator: first access**	Inclusivity ratio	Equitable Access Score	Business Impact Score	Household Outcomes Score	Financial Management Score	Resilience Score
SPI overall score	-5%	23%	6%	19%	19%	20%	0%	-7%	-10%	-23%
SPI Dimension 1	-12%	18%	5%	9%	20%	20%	-11%	-10%	-13%	-24%
SPI Dimension 2	1%	28%	7%	29%	17%	17%	11%	-3%	-9%	-19%
SPI Dimension 3	16%	17%	38%	5%	-16%	-16%	20%	18%	11%	-1%
SPI Dimension 4	-7%	14%	6%	30%	-15%	-15%	-4%	-9%	-2%	-23%
SPI Dimension 5	-18%	-7%	-11%	7%	-8%	-7%	-18%	-17%	-8%	-25%
SPI Dimension 6	-8%	-2%	-8%	5%	1%	1%	-27%	-4%	17%	-11%

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

Include the perspective of end-clients

Improve products & services

Output

2022

19 MFIs

18,500 end-client respondents

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

- Language
- 1. Demographics
- 2. Customer Experience
- 3. Economic Wellbeing
- 4. Business Growth
- 5. Housing & Facilities
- 6. Health & Education
- 7. Significant Changes

OIKO CREDIT From Outreach to Impact: economic wellbeing section
investing in people All partners

Responses
19K

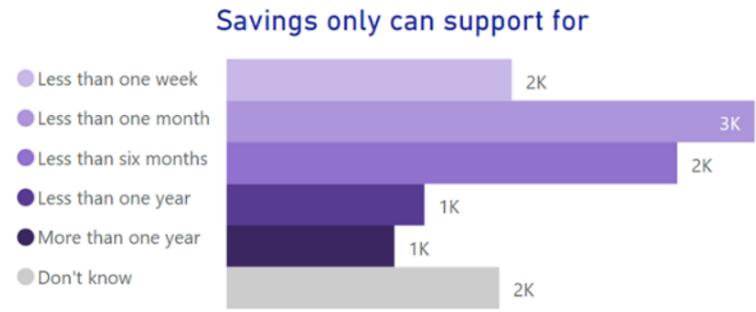
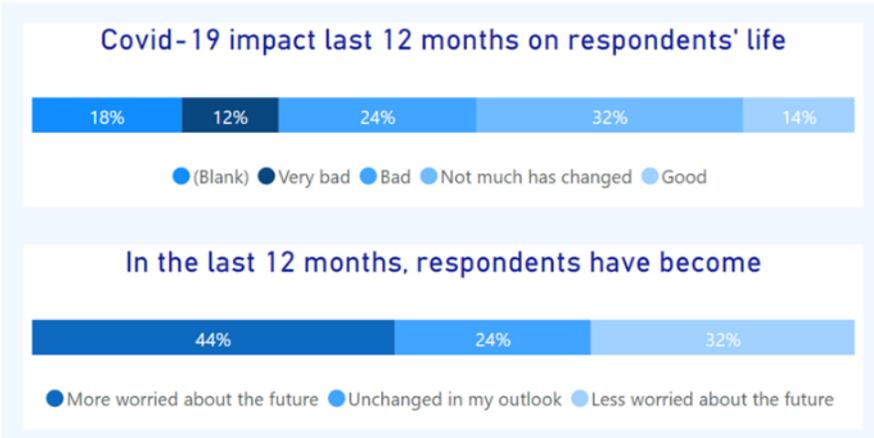
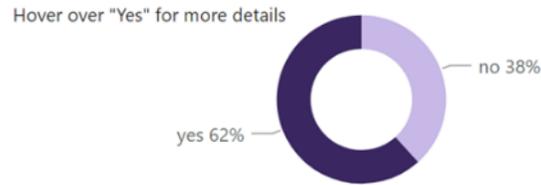
2021 2022



Extreme weather has affected respondents' income

Savings withdrawn in the last 12 months

46%



- 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.



60 _decibels



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)