

## Results Measurement Working Group Teleconference Minutes, 14<sup>th</sup> September 2016

15<sup>th</sup> September 2016

### Participants

- Birgit Seibel (GIZ)
- Irma Keijzer (Netherlands MoFA)
- Ugo Amoretti (IFC)
- Merten Sievers (ILO)
- Peter Beez, Selina Haeny (SDC)
- Jim Tanburn, Donna Loveridge, Nick Wilson (DCED Secretariat)

### Apologies

- Claudio Volonte (IFC)
- Mónica Peiro-Vallejo (EC)

### Draft review of results measurement in impact investing

Donna Loveridge gave a brief overview of the draft report, which had been circulated before the call. She noted the volume of research already carried out elsewhere, meaning that it was important to review it first. She also noted that the definition of social impact in the impact investing literature is wider and looser than in international development more generally. In some cases, social impact is taken to mean anything that happens along the results chain after the intervention.

Results measurement in impact investment covers financial, environmental or social returns. Measurement of financial returns are not seen to be an issue, so the focus is on measuring social and environmental returns. Often the relationship between social, financial and environmental returns is not assessed. Different actors in impact investing also have different expectations of results measurement. Government investors have higher requirements in results measurement, and often call for rigorous attribution. At the other end of the scale, high-net worth individuals tend to have lower levels of rigour in the measurement of results in their impact investing. Some research highlighted that more rigorous results measurement was funded externally by donor, charity or philanthropic organisations and therefore results measurement was not part of impact investors' and investees' business models.

The current trend in results measurement in impact investing is on developing guidelines and standardising the way that impact is measured. Much of the work has focussed on standardising indicators, approaches, and rating and scoring systems. [GIIN's IRIS](#) is often mentioned in the literature. However, IRIS is often wrongly labelled as a results measurement approach, whereas it is actually a catalogue of indicators. There has been little emphasis on embedding results measurement into management practices.

There are unanswered questions about what investees should be held responsible for, and whether they should focus on recipients, beneficiaries, or the overall impact of their investments. Little emphasis in the literature is put on measuring systemic change that comes about as a result of impact investments. There is also an evolving emphasis in guidelines on the quality of evidence that is expected to be applied in results measurement. The literature generally does not contain much discussion of rigorous approaches to results measurement in impact investing. Where there was such discussion, it tended to focus narrowly on experimental or quasi-experimental methods.

Overall, the things that surprised Donna most from her research were the wide/loose definition of the term impact and the fact that results measurement was generally not paid for by investors. Working Group members expressed their enthusiasm and support for the report, and agreed that it was a very useful and much appreciated exercise.

Peter Beez asked that Table 3 on Page 18 be clarified further; he and others may send additional comments on the report in the coming week. In connection with further work, Peter supported the ideas summarised in Sections 3.3 (what RM adds value for business) and 3.6 (how to attribute results to the various investors) of the Executive Summary. He suggested that [ACUMEN's lean data management](#) could be an important example to other practitioners, as it focusses on determining information is important to businesses.

Birgit Seibel wondered whether the term social impact included ecological or environmental impact, as that did not seem to be mentioned much. Donna replied that there was more of a focus on social, rather than environmental, impact in the literature; perhaps this was due to the relative weight of money in this issue. She would look into it.

Birgit also asked about the distinction that Donna drew between government actors and individuals as suppliers of capital; what about institutional investors? Donna answered that institutional investors existed in this field as well; they seem, however, to be still relatively small contributors in comparison to the other groups. Birgit also supported the idea of further work on 3.3 in particular while also noting that 3.1 looked interesting, even though it was a broader issue than results measurement.

Merten Sievers raised the question of where the pressure for results measurement in impact investment generally comes from. Is it mainly from donors or private sector actors? This could be looked at in follow-up work, perhaps under 3.3. Irma Keijzer expressed her support for the previous points raised and stated that the next stages for this work item should focus on the DCED's priorities and not general questions for the impact investing community.

In relation to the idea that Donna present her work at the American Evaluation Association's [Impact Convergence Conference](#) Atlanta in October, Working Group members agreed that this would be good idea. It would allow her to connect with others in the field and gather further information.

Peter Beez stated that his colleague Haeny Selina had attended an event hosted by the OECD Social Impact Investing Initiative in Lisbon in July, and that this initiative would be worth engaging with, going forward. Donna Loveridge can follow up bilaterally with her. Irma Keijzer also raised the possibility of Donna Loveridge attending the [Investor Forum of Global Impact Investing Network](#), on 7-8 December 2016, in Amsterdam.

**Action point: Working Group members can provide further comments on the draft report in the coming week. Donna Loveridge will then finalise and publish it. In addition, the Secretariat will propose to the Working Group, in the light of the comments made, a specific set of next steps.**

#### Ongoing indicator harmonisation project

Following the last meeting, ToR had not yet been drafted for a possible second phase of the Group's work on indicator harmonisation. Participants in the call had no further comment on the topic. Irma Keijzer noted that a return to the attribution/contribution discussion could be of value at some point in the future.