

A large, light green curved banner that tapers to the right, containing the main title text in white.

IOM – A means to measure impact of programming in the Financial Sector

Who are we...?

- FSD Africa **created by DFID in late 2012**
- **Regional financial inclusion and financial sector development** programme
- Based in **Nairobi**, but **pan sub-Saharan** in scope (including non-DFID office countries)
- Mandated to foster development **inclusive, efficient and robust** financial markets in SSA using a **market facilitation** approach
- Incorporated as a **CLG in Kenya.**

What do we do...?

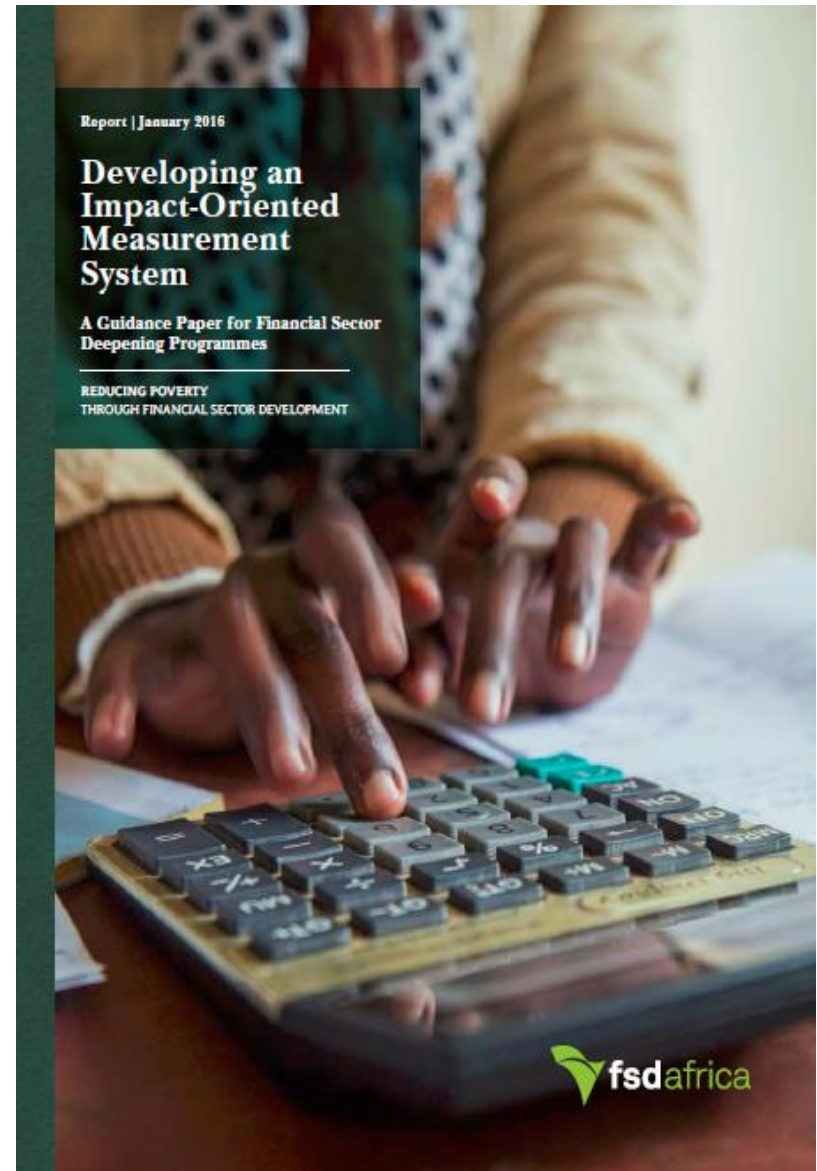
Three main areas of work:

- **Finance for all** > access to financial services > **increased resilience + increased access to economic opportunity + improved livelihoods**
- **Finance for growth** > efficient mobilisation and allocation of capital to real economy > **inclusive economic growth**
- **FSD network support** > collaboration, capacity building, best practice sharing, harmonised approach to corporate governance and M&E > **increased value for money for DFID + stronger contributions to financial sector development**

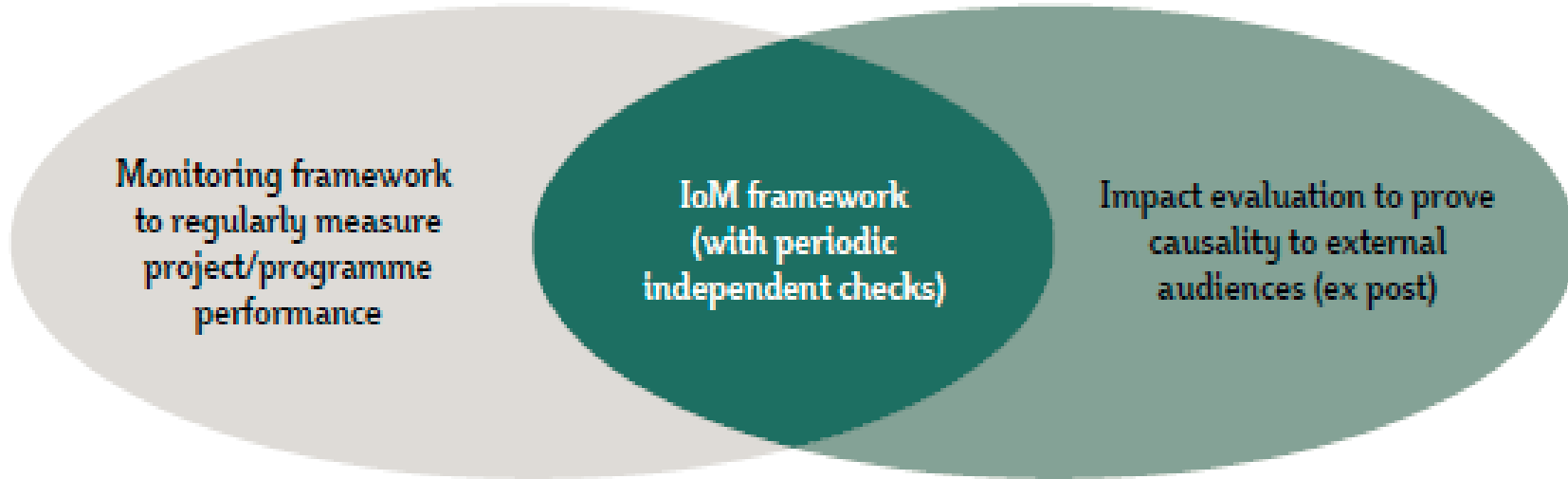
- Comprises **ten FSDs across SSA** in South(ern) Africa (2002), Kenya (2004/5), Tanzania (2004/5), Nigeria (2007), Rwanda (2011), FSD Africa (2012), Zambia (2013), Ethiopia (2013), Uganda (2014), Mozambique (2014).
+
- Leading proponent of **‘making markets work’ approach**
+
- **Specialises in a number of themes** from agriculture finance and savings groups to payments, SME finance and capital market development.
+
- Represents a **collective investment of £320+ million** by DFID; Bill & Melinda Gates Foundation; SIDA; DANIDA; Foreign Affairs, Trade and Development Canada; RNE (Netherlands) and World Bank.
+
- Spends **£40+ million per year**, predominantly through grant instruments
+
- Employs over **130 full time members of staff** and a wide range of consultants
+
- Currently **three corporate governance structures**: Trust, CLG, Contracted Out

What is Impact Oriented Measurement (IOM)?

- ✓ An approach on Monitoring and Results Measurement for FSDs and FSD-like organizations
<http://www.fsdafrica.org/knowledge-hub/documents/developing-an-impact-orientated-measurement-system/>
- ✓ Facilitates measurement of results of complex multi-faceted market development programmes
- ✓ Aims to;
 - i. Facilitate understanding of FSD programmes' contribution to improved livelihoods
 - ii. Support generation of an evidence base of what works/what does not
- ✓ Draws from experience from DfID, the World Bank, Mastercard Foundation, Gates Foundation, DCED, CGAP, FSDs and OPM

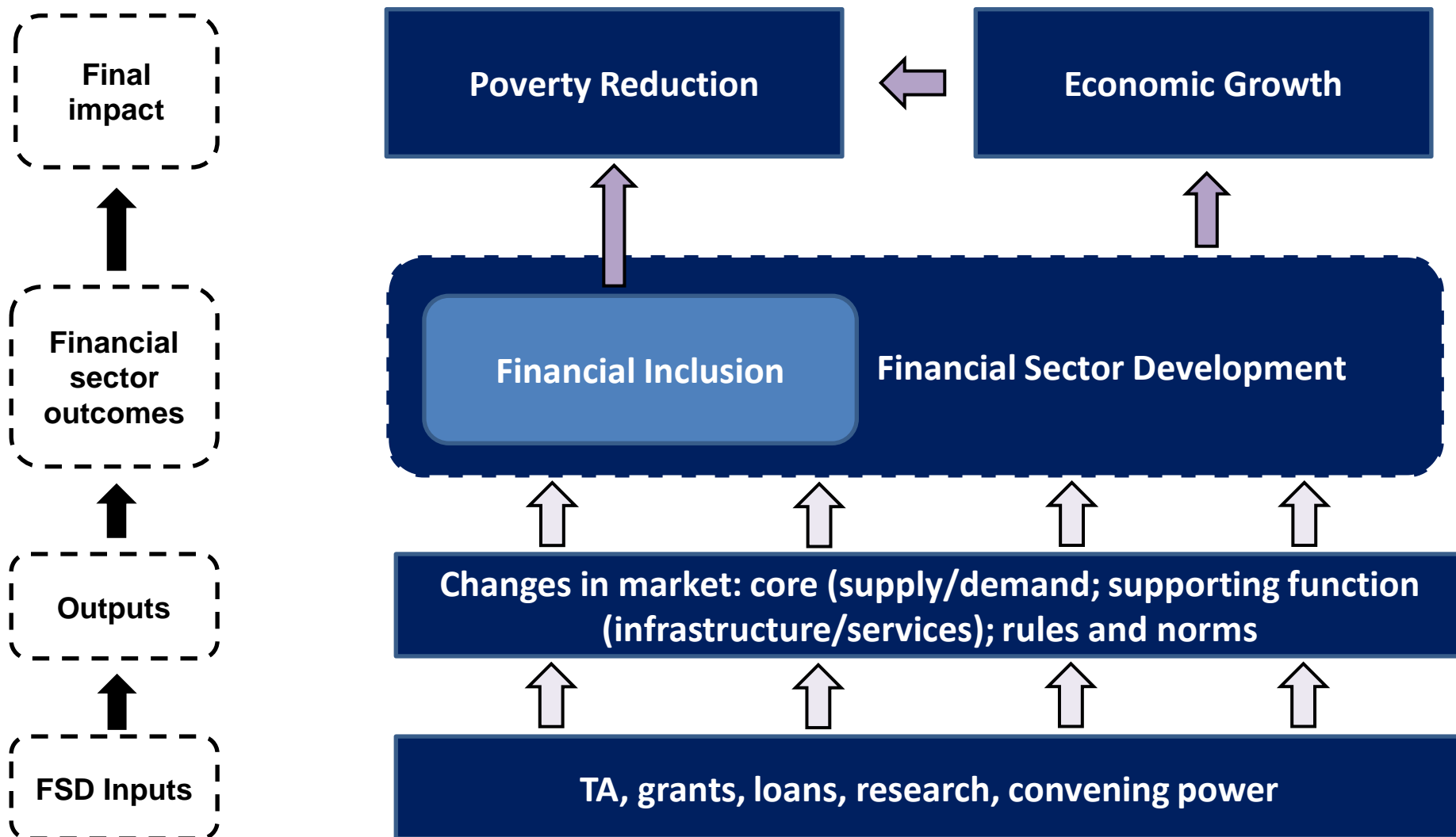


Principle 1: Aligning monitoring with measuring impact

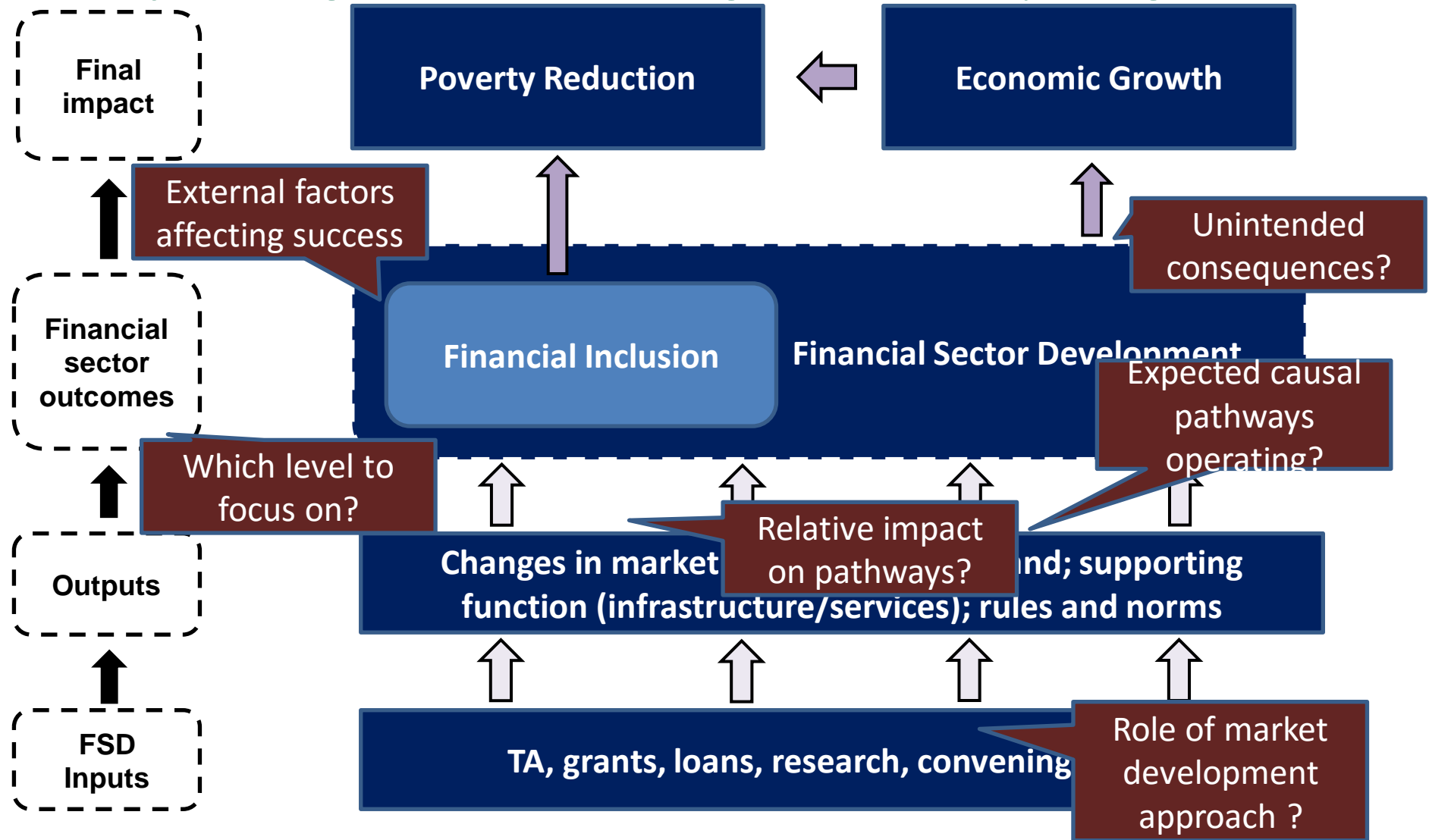


1. Routinely monitored indicators are designed to be useful for impact evaluation
2. Periodic assessments of critical causal links within the ToC are embedded in regular M&E activities
3. The ToC is a 'living' guide; as evidence is collected, it will need to be reviewed and revised
4. Measurement frameworks are evolving and focus on learning
5. Evidence gathered will feed into ex post IE

Principle 2: Using the FSD ToC as a strategic framework for planning and IE



Principle 2: Using the FSD ToC as a strategic framework for planning and IE



Principle 3: Assessment of change in inclusive financial markets

- It is necessary to recalibrate our use of the term ‘impact’
- IOM approach does not focus solely on the long-term final impact
- FSDs and their stakeholders need to decide how far along their ToC they need to measure impact, and where to concentrate resources

Impacts of interest for an FSD

- ✓ Overall financial sector development
- ✓ Financial inclusion
- ✓ Market development
- ✓ Improved livelihoods

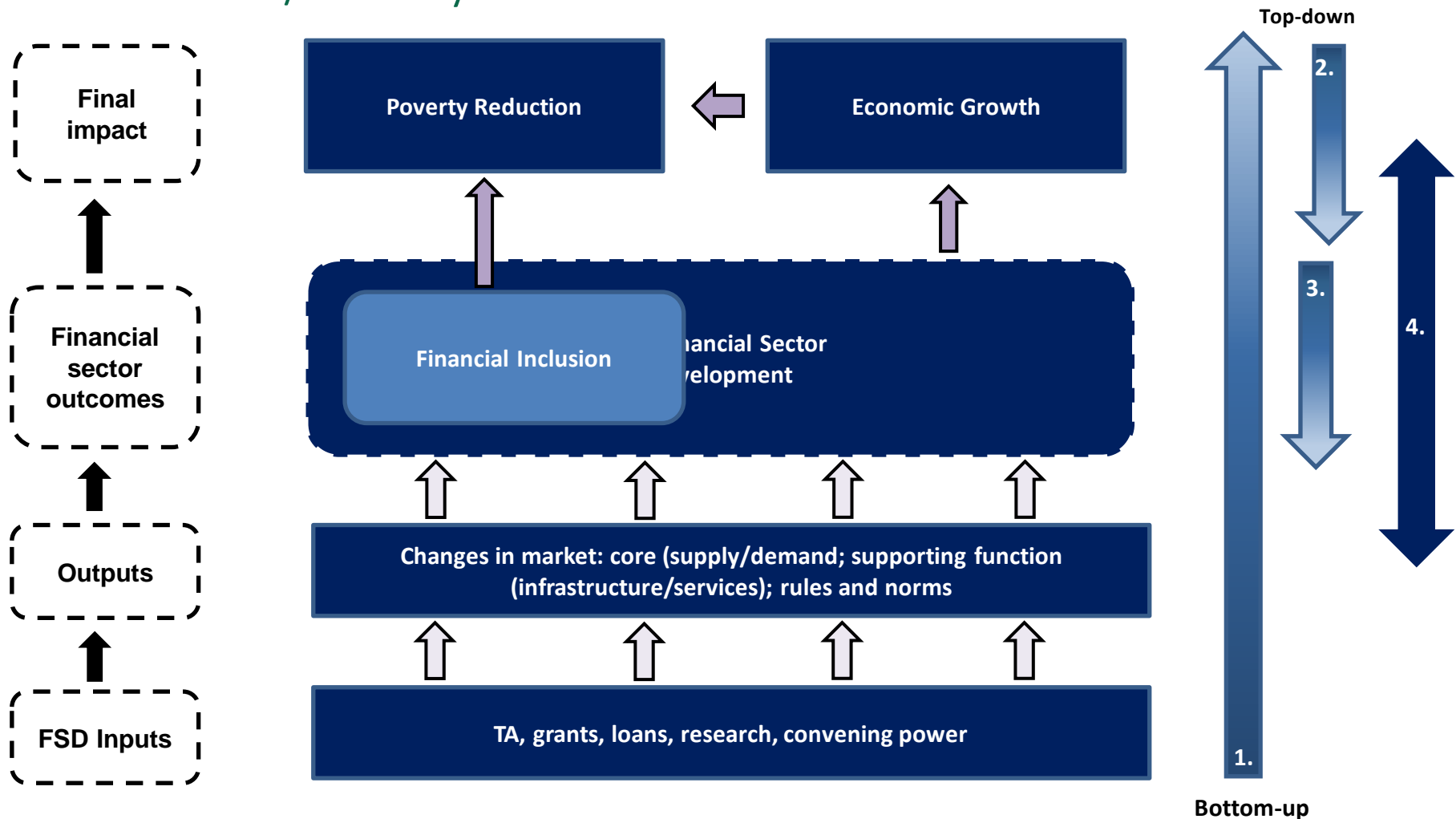
Principle 4: Measuring systemic change

Assessment of systemic change **vs** focus on direct impact of a specific project

Systemic change refers to the **structure** or **dynamics** of a system

Systemic change drives sustainability and scale

Principle 5: Measuring change from the perspective of both the FSD programme and the sector/market system



- Provides a coherent and robust approach to developing the evidence base for IE while providing real-time evidence for programme adaptation
- Provides a robust evidence base for interrogating numbers within the logframe.
- Can provide evidence on whether the programme ToC is working and what adjustments may be required
- Highlights broader changes in the sector ('sector tracking') to strengthen FSD narrative