

Results Measurement Working Group (RMWG)

Minutes of Teleconference, 15th March 2017

21st March 2017

Participants

- Rhiannon McHugh, Tessa Godley (DFID)
- Birgit Seibel (GIZ)
- Alan Lukoma (IFC)
- Merten Sievers (ILO)
- Irma Keijzer (NL Ministry of Foreign Affairs)
- Peter Beez (SDC)
- Jim Tanburn, Donna Loveridge, Nicholas Wilson (DCED Secretariat)

Apologies

Claudio Volonte (IFC); Mónica Peiro-Vallejo (EC); Lars Christian Oxe (Danida); Nathalie-Anne Leblanc (GAC)

1. Status updates for ongoing studies on Results Measurement in Impact Investment

Study One: Information valued by businesses

This study will focus on the information that businesses (investees) value; the contract to undertake it has been won by [Roots of Impact](#). The study will focus on two sectors: energy and agriculture. It will focus on businesses at the three different stages: start-up; growth stage; mature businesses. It will interview representatives from a broad range of geographic locations. The inception report had been circulated to participants before the call. Feedback on the report has been provided to the consultants.

Birgit Seibel also suggested that it was worthwhile reaching out again to Tris Lumley/New Philanthropy Capital to see if the work of the OECD SII pilot study group on the energy sector was now proceeding. Donna noted she will follow up.

Irma Keijzer noted that the study seems to focus on social enterprises, whereas most donor agencies are focused on working with larger SME. In response, Donna clarified that the study will focus on businesses at different stages of maturity attracting impact investors, and will not be limited to small-scale 'start-up' social enterprises. Donna also noted there might be an opportunity to look at what larger companies are doing in relation to measuring impact under the proposed work item on evaluation of PSE strategies (see Section 2).

Study Two: Attributing results to investors

Alan Lukoma gave an overview of this project, which looks at the level of understanding of attribution in the impact investing community. It will also focus on the different approaches to attribution that are used by practitioners working in the field. The study aims to collect qualitative

and quantitative information on how they are measuring the attribution of any impact. Again, the inception report had been circulated to participants before the call. Feedback has already been provided to the consultants.

[Steward Redqueen](#), a consultancy, has won the contract to carry out this work item. They aim to undertake 15-20 interviews with fund managers – from both commercial investors and DFIs (including the IFC). They will also attempt to liaise with related membership organisations that may also yield useful material, for instance GIIN and ANDE. Interviews will be complemented by desk research into the existing literature. Alan and Donna will also sit in on a selection of these interviews, in order to hear the views of investors on this issue directly.

Birgit Seibel highlighted the usefulness of liaising with existing platforms working in this area, and spoke about the role that GIZ could play, if needed, in providing contacts with ANDE and its members. Donna replied that the Secretariat had been in contact with ANDE about the possibility of providing an introductory session on the Standard to its members.

Merten Sievers highlighted a recent meeting convened by the IFC in Paris (which was also attended by Jim Tanburn and Irma Keijzer), looking mainly at evaluation of PSD in DFIs. The IFC want to create a community of practice around DFI investments; Merten asked how this should be linked to our impact investment work. Donna replied that potential overlaps and complementarities would be explored.

The intention is that these two studies will be finalised before the DCED Annual Meeting in Rome in June (see last item of these Minutes). Written reports should be circulated in advance of the Annual Meeting and they could both then be presented to the Working Group for final feedback, and to aid in their dissemination.

2. Next steps arising from the DCED Thematic Meeting on Private Sector Engagement (PSE)

Donna gave an overview of the DCED Thematic Meeting for Members on Private Sector Engagement, held last month in Den Haag, The Netherlands. At the meeting Donna had presented the findings of the recent [Review of Results Measurement in Impact Investing](#); she also included observations from recent participation in a number of conferences and forums around the topic. She noted that, although the field is quite crowded, there is little consensus around definitions of key terms, such as 'impact' or 'investment'.

She summarised efforts to standardise results measurement in Impact Investing, raising the question of who is responsible for measurement and use of the data. Results measurement in impact investing is still at an early stage; experience in implementing the [DCED Standard for Results Measurement](#) could provide insights that could be of value in impact investing, around aggregation, attribution and hands-on application. Results measurement in impact investing was more sophisticated in other areas, such as monetisation of impacts, and risk-return assessment.

During the meeting in Den Haag, participants put forward eight ideas for next steps for the DCED; some of those related to results measurement. After the meeting, all participants were asked to vote for which next steps would be the highest priority for their agency. Specifically, and by the time of this call, the most popular item (with seven member votes) was to 'investigate how to evaluate the effectiveness of donors' PSE strategies and activities; this could include an initial categorisation of tactics for PSE, and consideration of how effectiveness might be evaluated in each category.'

The fourth most popular next step (with four member votes) was to 'draft case studies on results measurement of different impact investment vehicles, perhaps grouped by theory of change. How do they measure across the entire portfolio?'

3. RM WG Work Plan for 2017-18

The RM WG needs to prepare a work plan and budget for the 2017-18 fiscal year, for consideration by the ExCo, and eventual consolidation into a Work Plan and Budget for the DCED as a whole. This document needs to be read in time for sending to members ahead of the Annual Meeting, for their consideration. It will then be approved (or modified) at the Annual Meeting itself, in line with the [DCED Charter](#).

It was agreed that Donna would draft this work plan and budget for the RM WG, using the normal template, and circulate it to members for their further input. That work plan and budget may incorporate:

1. relevant work items suggested by participants at the recent PSE event, as outlined above;
2. follow-up to the two studies already under way; and
3. the necessary activities to sustain and support the work around the DCED Standard for Results Measurement, including outreach to implementers.

It may also include participation in relevant events. Working Group members agreed that Donna should continue to provide updates from events in which she presents RM WG work, for example at the American Evaluation Association's Impact Convergence Conference in Atlanta in October last year, and at the GIIN's Investor Forum in December 2016. Working Group members agreed that these allow her to connect with others in the field and gather further information that is appreciated by DCED members.

4. Date and venue of next meeting

Participants agreed to meet in person immediately before the DCED Annual Meeting at the FAO in Rome, on Tuesday 13th June. Agenda items discussed included:

- An overview of the work of DCED on results measurement, covering the Standard as well as complementary activities
- Reports of the two studies now under way on results measurement in impact investing, to include discussion by members of the conclusions and recommendations, input to the final reports etc.
- Fine-tuning of the work plan and budget for the group, including discussion of timescales, budgets, task forces to take forward individual work items etc.