

Results Measurement Working Group (RMWG)

Minutes of Meeting – Web/teleconference

19 September 2017

Final 11 October 2017

Participants:

- Birgit Seibel (GIZ)
- Alan Lukoma (IFC)
- Merten Sievers (ILO)
- Irma Keijzer (NL Ministry of Foreign Affairs)
- Mónica Peiro-Vallejo (EC)
- Jim Tanburn (DCED Secretariat)
- Donna Loveridge (DCED Secretariat)

Apologies:

- Åsa Heijne (Sida)
- Peter Beez (SDC)
- Tessa Godley (DFID)
- Paul Simister (DFID)
- Milena Mihajlovic (SECO)

The purpose of the meeting was to:

1. *provide a progress update on work items since the previous meeting;*
2. *gather insights into how the DCED PSD harmonised indicators had been used by agencies since they were published in 2016; and*
3. *discuss interest and opportunities for undertaking additional activities related to impact investing measurement.*

1. Indicator harmonisation

In 2016, the RM WG commissioned an extensive exercise to collect and collate hundreds of indicators in use by member agencies, summarising them as a [shortlist of harmonised indicators for PSD](#). This was Phase 1, and Phase 2 is now planned, to explore other indicators (e.g. qualitative ones) and methodologies for measuring them.

1.1 Phase 2 consultancy assignment

Application of [phase 1 of the indicator harmonisation exercise](#) is discussed in the following Section. The procurement process for Phase 2 is now in hand, using the ToR agreed by the Working Group, and consultants have been asked to submit CVs. All going well, we expect to know the outcome by mid-October.

During discussions, members raised the importance of ensuring that this work:

- references clearly the SDGs;
- looks to financial institutions, investors and banks who are measuring similar indicators;
- has a clear timeline for progress, inputs and deliverables.

Additionally, the work should look at the possibility of:

- drawing on cases/examples from a narrower number of sectors to make the work more practical. Sustainable agriculture and SMEs were the two favoured by members (which are two of the EU's sectors/windows for the European Investment Plan). A focus on measurement of jobs would be welcome.

These priorities and focus areas will be communicated to the selected consultant.

1.2 Use of harmonised indicators (Phase 1)

Birgit Seibel (GIZ) noted BMZ Trade colleagues were thinking about brainstorming a couple of harmonised indicators for their Aid for Trade interventions, and were interested in other experiences, such as the extent to which DCED members had used the indicators emerging from the Working Group's initial exercise last year on indicator harmonisation.

Within MoFA NL, Irma Keijzer shared that they have used the DCED's harmonised indicators for reports to parliament and asked implementing partners to use them. Within implementing partners, the level of uptake differed. For the [parliamentary reporting](#), MoFA also took the step of developing methodological notes to support the measurement of indicators. In an email sent prior to the meeting, Irma also highlighted practical challenges and solutions to communicating effectively complex issues behind indicators, and decisions around choosing to modify slightly particular indicators.

Monica Peiro-Vallejo (EU) noted the DCED harmonised indicators had been shared with delegations in the field. Quite positive feedback was received but the materials were not yet sufficient to operationalise and there was a need to develop methodological guidance. The harmonised indicators also do not cover all indicators needed by all programmes. Currently, the EU is piloting them in several sectors and developing results chains and frameworks. In parallel, under the External Investment Plan, the EU is developing a measurement system for investments.

Birgit noted a similar experience in GIZ in that the DCED harmonised indicators cannot be used for all programmes. The harmonised indicators were shared with BMZ and GIZ colleagues for technical assistance, but not for financial assistance. More dissemination and advocacy is needed to realise actual use. The harmonized indicators are an offer and can be used or not - whereas the DFI approach to harmonised indicators took much longer but had more enforcement through a MOU.

Alan Lukoma (IFC) noted that they have been disseminated within IFC and most were being used. However, projects were challenged by how to measure some of them, such as area of sustainably managed land and number of individuals gaining access to the value chain.

Merten Sievers (ILO) noted that SDC and SECO have recently published a report on the [effectiveness of their employment initiatives](#), that provides a good example of communicating what they do together with being based on sound results.

For members' interest, the SDC/SECO and NL MOFA reports can now be found here:

https://www.enterprise-development.org/what-works-and-why/evaluations-of-agency-psd-work/#Donor_reports_on_results

If other members would like their results reports added, then please send them to Jim and Donna.

2. Impact investing results measurement

2.1 II measurement capacity development initiatives

Donna provided an update of conversations with the Global Impact Investing Network, Impact Management Project and Rockefeller Foundation on their future measurement capacity development initiatives as an entry point to revisit the discussion from the Rome meeting on what the RMWG might do, if anything, in this area.

Key messages:

1. The definition of impact investing is broadening to include responsible investment, to crowd in institutional investors' capital;
2. There are opportunities for further DCED contributions, if it chooses, that would complement the work of others by bringing DCED's experience and practical guidance in results measurement to a new set of actors. DCED's way of working can also mean that its support to impact measurement and management (IMM¹) is more timely than some other multi-stakeholder initiatives. Existing DCED materials would need to be 'translated' to the new audience.

Based on feedback from those consulted so far, three possible opportunities were shared:

- Translate the Standard (not water it down) and some supporting materials to the impact investing audience and tied to the impact investing cycle and specific processes such as due diligence etc. This might be something donors could use when discussing development impact and IMM expectations with intermediaries such as fund managers or investors or to support specific IMM capacity development initiatives. The target audience are fund managers and investors interested in investing jointly with donors.
- Developing specific vertical guides as part of the GIIN Navigating Impact Project, drawing on existing DCED resources such as the evidence framework and other studies such as measuring WEE. The advantage of supporting and linking to the GIIN project is the entry point it would give it to impact investing actors, which might then provide a conduit for them to other DCED resources. The disadvantages might be that the DCED loses profile, or there might be risks that such guidance has to cover both developed and developing countries losing the link to development objectives. But this is something to be checked with GIIN.
- Possibly, a more theoretical paper examining specific risks such as evidence risks, outcome risks and implications for DCED members, particularly in light of the broadening scope of impact investing. This is likely to be less practical in the short term.

Irma noted that she had recently reviewed a draft report from financial institutions and companies, that had chosen indicators related to the SDGs -and so was similar to indicators that development organisations were interested in. This included number of FTE jobs created, and number of employees receiving a living wage. Birgit also noted that it was interesting how much the private sector is looking to the 2030 agenda/SDGs and wanting to link their work to this. This emphasises the joint model or common agenda.

Monica noted that their new fund in SSA focused on five main sectors and they were seeking to do better measurement with DFIs, finance institutions and SMEs, noting it would be interesting to do more work around these sectors (sustainable agriculture, energy, digitalisation, SMEs and smart cities).

There was some discussion about the importance of carrying work on impact investing measurement forward. For some members is more important. However, it was also felt that the indicator harmonisation phase 2 work could be useful for this area (see 1.1 which incorporates this). Birgit felt that looking further into results measurement for impact investing was an important issue but the question was around what angle does the RMWG look at it from. It was suggested to narrow the focus to one or two of the sectors in the EC's External Investment Plan. Through discussion,

¹ Impact measurement and management is the concept that has gained popularity through the Impact Management Project. It encapsulates monitoring and evaluation as well as managers using information for decision making and improving the performance of investments. However, impact is considered very broadly and can be any net positive benefit generated by an investee. As such it could include outputs (e.g. training delivered), responsible business initiatives like employee welfare or waste recycling initiatives, corporate charity, as well as impact on beneficiaries such as the poor. DCED members interest is on IMM as it relates to beneficiary impact.

sustainable agriculture and SMEs were of most interest, while it was recognised that SMEs could cover many sectors.

There is some discussion still to be had on refining members' interest into a concrete activity beyond a general interest in learning more about what impact investors are doing in relation to these two sectors. The discussion indicated notable interest in harmonised indicators, aggregation and portfolio measurement. These inter-dependent issues also span development programmes and impact investing.

2.2 II measurement case studies

There was insufficient time in the call to provide an update but this is recorded here for members' interest.

Following the Rome meeting, a discussion has been held with Co-Chair of the PSE WG (Gunter Schall) and SECO, BMZ, Finland and DFID were asked if they remained interested in this activity (being the members who had prioritised it after February meeting in The Hague). Finland, DFID and SECO have responded, although the precise focus remains to be defined. A draft TOR is being circulated to sharpen up the objective and outputs and will be subsequently shared with RMWG members once initial feedback has been incorporated from these members.

3. DCED – BEAM Seminar

Jim provided an update on planning for a 2-day joint DCED – BEAM seminar on 21-22 February 2018 to be held in Nairobi. The draft programme is being developed; venue logistics are being coordinated with ILO.

If members are interested in presenting as part of the programme please contact Donna.

4. PSE evaluation

There was insufficient time in the call to provide an update but this is recorded here for members' interest.

Following on from the Rome discussion where members were uncertain about the objective of this activity, Donna has spoken with the Gunter Schall, co-Chair of PSE WG but further discussions are required with the members who expressed interest in this activity. Gunter suggested it would be useful to determine if the OECD was doing anything in this area; and if the activity progresses to work with agency evaluation units as they provide advice to many programmes and staff.

To date, the Secretariat developed a draft framework for categories of PSE, which has been circulated to the PSE WG and will be discussed at their next meeting in early October. The agreed framework of categories will provide a foundation on which to build possible work on PSE evaluation.

The OECD-DAC Evaluation Network do not currently have specific items of work planned in this area but were interested to find out if DCED is doing something since it has been an area of interest for some time. They referred to two OECD initiatives:

- that being led by Karen Wilson on data fields to support sharing and consolidation of impact investment data using technology (databases), enabling greater analysis to be conducted of the level, type and outcomes of investments.
- Paul Horrock's blended finance programme (drafted) included investigation of what kind of monitoring and impact evaluation schemes are being used by DAC members and fund managers. We have not followed up with Paul to ascertain the status of this work item and whether DAC members supported it.