Impact Measurement Guidelines in Practice: Five Case Studies

The following document presents five case studies to demonstrate how a diverse group of organizations have developed sound impact measurement practices, including how the seven guidelines are being applied in the organization, as well as the organization’s impact measurement practices, the contextual factors that shaped their impact measurement approach, how they involved key stakeholders along the way, and key “impact measurement lessons.”

These case studies – which are highly diverse in nature – aim to help investors and investees translate the seven guidelines for impact measurement into an impact measurement approach that is right for them. Case studies include: (In alphabetical order)

- **CASE 1: Bridges** is a specialist fund manager that uses an impact-driven investment approach and has invested considerable resources in developing its own impact measurement methodology. Bridges uses impact measurement to ensure that its investees are achieving their intended impact and to gain insight to the evolving risk/return profile of their investments.

- **CASE 2: Social Finance US and the New York State Social Impact Bond (SIB)** is a pay-for-success (PFS) mechanism. Impact measurement lies at the heart of this financing structure given that payments are made only if a program meets targeted impact results. By design, all SIB stakeholders are committed to evaluating program success. Investors have an interest in demonstrating positive impact, while commissioners require impact data to determine pay-out schedules and cost-savings from the program.

- **CASE 3: Investisseurs & Partenaires (I&P)** is an impact investing group focused on investing in small and medium enterprises (SMES) in Africa. I&P invests in measuring the impact of their investments in order to strengthen their own management choices, but also as a way to empower their investees to establish and optimize the impact of their operations.

- **CASE 4: Oikocredit** is an investment cooperative (i.e. an intermediary) whose member investors are committed to assessing whether their investments in microfinance institutions (MFIs) around the globe effectively contribute to reducing poverty. Oikocredit’s impact measurement relies on the participation of their investees and works with its members to build the impact measurement capacity of each.

- **CASE 5: One Acre Fund** is a not-for-profit organization based in Kenya, which – given its limited resources – has taken a highly pragmatic approach to impact measurement that focuses on assessing the extent to which they deliver on their mission, and on adjusting their activities accordingly.
CASE 1: Bridges Ventures

Geography: Located in United Kingdom, invests in UK and US
Sector: Multiple – education, transport, health
Target Beneficiaries: Multiple
# of Metrics: Varies per investment
Draws from Common Impact Language (e.g., IRIS): Uses IRIS metrics when possible
Application of WG Guidelines: 7 out of 7

Description

Founded in 2002, Bridges Ventures is a specialist fund manager dedicated to using an impact-driven investment approach to create superior returns for both investors and society at-large. To create these returns, Bridges identified four outcome themes (essentially impact goals for their portfolio): Education and Skills, Health and Well-being, Sustainable Living, and Underserved Markets. These outcome themes cut across fund types and define each investment that Bridges looks to make.

Bridges has three goals in developing its impact measurement approach: 1) to ensure progress towards target outcomes (impact return), 2) to understand the level of impact risk and return and re-allocate investment capital based on impact performance, and 3) to work with enterprises to monitor and improve their measurement values and practices, thus improving their impact risk/return tradeoff.¹

Bridges’ impact measurement approach is also shaped by a variety of internal and external factors. Internally, and on an ongoing basis, Bridges IMPACT+, the advisory arm of Bridges, supports Bridges’ investment teams and portfolio companies to continuously evolve their impact analysis and performance management. Bridges’ impact measurement has also been strengthened by the support of pioneering thinkers in impact investing and impact measurement (its Board is made up of many such thinkers). The firm also benefits from the expertise and contact networks of the private equity companies that have backed it since inception.

Bridges’ impact measurement approach is externally influenced in several ways by the fact that it, as well as its investees, is located in the UK and the United States. First, there is greater availability of impact data for counter-factual analysis in these countries. Second, the impact investing markets are relatively strong in these countries and therefore Bridges and its investees can learn from others in the field around them. Third, most of its investees are able to use electronic means for collecting, storing and managing their data, which is not always true in less developed contexts.

There are a variety of success factors that are critical to Bridge’s practice. A hallmark is that it significantly considers the existing operational and measurement practices of their investees when developing the specific impact measurement approach for an investment. Bridges’ proactive impact measurement approach, which was created by demand from leadership and board members, and the thriving impact investing market within the United Kingdom, have contributed greatly to Bridges’ success in impact measurement. Bridges’ mission and mandate spurred the creation of its leading IMPACT methodology, which sets a bar for measurement frameworks and helped to attract impact capital through better investment selection and management.

Meanwhile, the active impact investing market in the UK provides a healthy amount of social enterprise activity as well as an outlet for Bridges to share insights with other impact actors to foster continuous learning and development in the field.

Guidelines

- Bridges co-develops impact goals with its investees at the organization, fund, and investment level. First, Bridges defines four outcome themes (outlined earlier) which define its overall impact objectives as an organization. Second, its funds are designed to achieve specific social/environmental impact objectives which align with one or more of the broader outcome

¹ General information and background in this case study comes from the sources listed here, specific data points are attributed a single interviewee or source when relevant. Core sources: Deloitte Team interviews, and ongoing correspondence from April –June 2014 with Clara Barby, Partner and Head of IMPACT+ at Bridges Ventures (also a member of the Impact Measurement Working Group, authors of this report). Information on Bridges’ Impact Methodology also from Bridges website (http://www.bridgesventures.com/news/bridges-ventures-unveils-impact-methodology-its-latest-impact-report) and Bridges 2013 Impact Report, “A Spotlight on our Methodology” Published by Bridges Ventures, UK, 2013.
themes. And lastly, Bridges works with each of their investees to develop and align around impact goals that are consistent with its fund impact goals and broader outcome themes.

- Bridges’ IMPACT Scorecard and supporting evaluation methodology provide a robust impact measurement framework to assess progress towards these impact goals at each level. (Bridges works with its investees to select appropriate metrics aligned with their impact goals, which then become part of their individual IMPACT Scorecard).
- Individual investees collect data and provide it to Bridges at set intervals (which vary per investee). Data reporting occurs across various layers of the organization – from investee to fund to whole organization – and feeds data for data collection and analysis at each level. Bridges also publicly reports the impact and outcomes of its measurement approach annually, through a Social Impact Report which details its impact methodology and outlines the impact performance, and risk, of their investees.
- To validate their impact data, Bridges has an advisory team (IMPACT+) that acts across funds. The team supports data validation and quality assurance through resource support and investee and beneficiary sampling. Bridges also engages in occasional third party audits.
- Fund managers analyze impact data at the investment and fund level to understand both how specific investments perform against their impact risk and return expectations and how each investment’s performance influences the overall impact performance of its fund.
- Fund managers in turn use their data analysis (carried out according to Bridges impact methodology) to adopt ongoing data-driven investment management, whereby they allocate and re-allocate their investment capital based on performance against expectations. Each fund management team meets periodically to assess investees’ and fund’s impact performance using the Scorecards and to make decisions in future investment cycles based off that data.

### Set Goals

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<td>Bridges has four outcome themes that cut across its three funds: Education and Skills, Health and Well-being, Sustainable Living, and Underserved Markets. Each of these themes represents a cluster of social outcomes which Bridges hopes to pursue through its investments. These four outcome themes also enable Bridges to determine which indicators should be considered material for each of their funds.</td>
<td>Bridges asks its investees to articulate a ‘challenge statement’ (similar to a TOC), which defines the issue(s) that an investee aims to address; as well as how they believe they can have an impact on the issue. To define and align on impact objectives, Bridges carries out workshops with its investees, as it believes a collaborative approach is key to define measurement goals that support the investee’s core operations and mission.</td>
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<td>Bridges has three distinct funds, each of which has a different balance between expected impact return, impact risk, and financial return. The diversity of funds not only allows the organization to identify an appropriate fund for each individual investment, but also allows investors to invest according to their own objectives.</td>
<td>Bridges also works with potential investees during the due-diligence process to define any other environmental, social or governance risks or opportunities that may result from their activities, along with the likelihood of each risk occurring and the stakeholders to which each risk is relevant. These conversations also help determine materiality, since each investee collaborates with Bridges to grade each potential risk based on the likelihood of occurrence, which stakeholders will be impacted, and the scale of impact on them. Those risks which score highest on this rating are therefore considered material for the entity to report on.</td>
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As with financial analysis, Bridges analyzes impact in terms of both return (the positive impact that we can claim if things go well) and risk (the probability that our impact performance will be different than expected).

Impact return/risk is analyzed at the investment level (both before and during the investment) and then aggregated at the fund level, so that Bridges can have an overall understanding of the collective impact risk/return profile of each fund on an ongoing basis.
### Develop Framework & Select Metrics

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<td>Bridges IMPACT Radar framework requires it to collect data from each investment and aggregate it at a fund level to ensure that (1) funds are generating the firm’s target outcomes, (2) investees’ business models and their ability to generate investor financial returns for investors are aligned with their target outcomes, (3) other positive or negative societal outcomes (ESG) the fund being created are considered and (4) the extent to which the fund’s investment outcomes are additional to what would have happened otherwise.</td>
<td>During the due diligence process, Bridges works with its investees to develop an impact framework and select indicators which best enable them to assess its progress against its theory of change. These indicators then become the investee ‘scorecard’ and include both quantitative and qualitative output and outcome metrics. Bridges holds workshops with its investees to: 1) Discuss how they might engage with their diverse stakeholders and customers in assessing their impact. If they have not done stakeholder engagement before, Bridges has a team which can help train investees to them to carry out this external engagement process 2) Select meaningful indicators. For early-stage investees, Bridges will work further with them to help them identify the right performance indicators (KPIs) which align with their activities. In regards to common metrics language, Bridges generally starts with IRIS metrics and recommends to its investees to use them where possible – it also draws metrics from Big Society Capital.</td>
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<td>Bridges recently updated its IMPACT Radar framework and Scorecard to align with IRIS standard measures. While Bridges’ fund managers have an impact scorecard of metrics which it wants to use to track their progress towards their outcome themes, it also considers proportionality in working with their investees and only ask their investees to collect and report data as it is able to given possible resource constraints and external context. Bridges assesses additionality at the investee level by requiring investee organizations to develop a counter-factual for their work and to measure their work accordingly.</td>
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### Collect & Store Data

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<td>While most data is collected by Bridges’ investees at an investment level, on an agreed-upon timeline, this data is then reported to Bridges and collected and stored at a fund level.</td>
<td>Investees collect and report their impact data to Bridges on an agreed upon time frame (annual, semi-annual or quarterly). Bridges data collection is done in consideration of that organization’s resource constraints – if data collection and reporting appears burdensome for an investee, Bridges has an advisory team who can also help (also in the metrics selection process, they work to ensure that all data collected is relevant to the investee themselves). Bridges also conducts data assurance on its investees every several years.</td>
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### Validate Data

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<td>Bridges leverages their IMPACT+ team (an advisory arm of the organization) to help conduct fund audits to ensure quality and completeness of the data provided by their investees. The IMPACT+ team also conducts stakeholder and customer sampling to further verify the integrity of data reported by investee organizations, as well as periodic 3rd party audits of entire funds.</td>
<td>Bridges has a 3rd party assure their investees data and impact scorecard every several years. It does not, to date, have peer review or auditing practices in place.</td>
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### Analyze Data

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<td>All analysis which Bridges carries out a fund level is based off data collected and reported by their investees in their IMPACT Scorecard. In this scorecard, data is pulled from investee reports, collated and aggregated to provide a picture of the each fund’s performance along key indicators and metrics, including impact risk and impact return. Fund managers use this data to understand how well the fund aligns to its goals and objectives to either seek new investments or reallocate capital accordingly.</td>
<td>Every year Bridges takes the impact scorecard from each of their investees and use it to ‘rescore’ the deal – it reassess each investment based both on positive impacts they have achieved and steps they have taken to reduce any risks or negative impacts. The scorecard enables them to analyze impact data and track each investee’s progress over time.</td>
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### Report Data

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<td>Bridges investees report to Bridges on their social and environmental impact, alongside their financial returns, using the Bridges Ventures IMPACT Scorecard. Bridges also produces an annual Impact Report, which details their impact methodology and the impact of their investments to the public. (Bridges also detail their impact methodology and use of the IRIS catalog in their annual impact report.) Furthermore, Bridges compiles an aggregate impact return and impact risk profile, which not only helps differentiate funds, but which also allows fund managers to reallocate capital.</td>
<td>The impact scorecard which Bridges’ develops for all of its investees outlines what is material for each investee to report on, including positive and negative impacts. Bridges does not have their investees follow a common structure for data reporting, although they do align their indicators with IRIS, GIIRS, and the BSC Outcomes Matrix.</td>
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### Make Data-Driven Investment Decisions

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<td>Bridges uses its IMPACT Scorecard to continually monitor the impact of its investees – and then these scorecards are aggregated at the fund level which enables fund managers to track the impact return, and risk, of their funds over time. Fund managers use this aggregated impact data to reallocate capital and make investment decisions. Fund goals for impact return, impact risk and financial return are monitored and reviewed on an annual basis to ensure they remain relevant and aligned with outcome themes.</td>
<td>Bridges impact scorecard enables the organization to assess the impact return and impact risk of investments across its portfolio, use this information to make decisions in future investment cycles, and, at a portfolio level, most efficiently allocate its capital across various investments. This scorecard also provides a tool for Bridges and its investees to re-examine their impact measurement approach each year and determine if they should change any aspect of their impact framework, indicators, or outcome objectives.</td>
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CASE 2: Social Finance US and the New York State Social Impact Bond (SIB)

**Geography:** United States  
**Sector:** Criminal justice  
**Target Beneficiaries:** High-risk, formerly incarcerated men  
**# of Metrics:** 3 outcome metrics focused on changes in employment and recidivism  
**Draws from Common Impact Language (e.g., IRIS):** None  
**Application of WG Guidelines:** 7 out of 7

**Description**

In 2013, the New York State government launched a Social Impact Bond (SIB) to improve employment and recidivism rates among 2,000 high-risk, formerly incarcerated men, in order to enhance public safety and reduce the fiscal costs associated with incarceration.² Through a competitive procurement process, the State selected Social Finance, Inc., a nonprofit social impact financing and advisory firm, to design and manage the project.³

Social Finance worked with Bank of America Merrill Lynch, which distributed the offering through its wealth management platform, to raise $13.5 million in impact investment capital from over 40 private investors and foundations. The funds will enable the Center for Employment Opportunities (CEO), a nonprofit employment service agency, to expand its evidence-based programs to 2,000 men under community supervision in New York City and Rochester. The SIB’s minimum performance thresholds, which must be met to trigger payments to investors, are to increase the proportion of employed ex-offenders by 5 percentage points, and reduce incarceration by an average of 36.8 days per person. New York State is using a “pay-for-success” (PFS) contract, where taxpayer resources are used to pay investors only if the performance thresholds are reached. New York State will make performance-based payments on three outcome metrics focused on changes in employment and recidivism. Payments to investors will be proportional to the level of impact achieved. If the intervention fails to meet the minimum performance thresholds, the State will not repay investors.⁴ A rigorous impact evaluation will be conducted using a randomized control trial (RCT) to assess the degree to which three related social outcomes of the project are met and payments are made.

The New York State SIB had four goals when developing its impact measurement approach and outcome metrics: 1) align with the State’s policy objectives as well as CEO’s theory of change⁵; 2) enable the State government to understand if the project resulted in public-sector benefits and cost savings; 3) make use of existing public-sector data and data management systems;

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² In New York State, it costs approximately $60,000 on average to incarcerate an individual per year. Formerly incarcerated individuals have a high likelihood of returning to prison after their release. In 2013, nearly 24,000 individuals were released from New York State prisons. Over 40% return to prison within 3 years. SOURCE: Investing In What Works: “Pay for Success” in New York State, Increasing Employment and Improving Public Safety, March 2014, [http://www.budget.ny.gov/contract/ICPFS/PFSFactSheet_0314.pdf](http://www.budget.ny.gov/contract/ICPFS/PFSFactSheet_0314.pdf)

³ “Upon release, these individuals face myriad challenges—including barriers to employment and education, lack of access to health care, substance abuse treatment and mental health services, and homelessness—any and all of which can prevent a successful transition back to self-sufficiency and full productive participation in society. Failed re-entry has far-reaching consequences: recidivism takes an immeasurable toll on crime victims and their families and imposes high fiscal costs on taxpayers.” SOURCE: Governor Andrew M. Cuomo, Building on Success: 2014 State of the State, pp. 175-176, January 2014, [http://www.governor.ny.gov/assets/documents/2014-SOS-Book.pdf](http://www.governor.ny.gov/assets/documents/2014-SOS-Book.pdf)


⁵ The Rockefeller Foundation funded a first-loss guarantee to protect up to $1.3 million of investor principal, or approximately 10 percent of the total capital raised. SOURCE: Impact Measurement Working Group (IMWG) interview with Jill Scherer, Social Finance US Associate Director and Grants Manager, August 2014

⁶ CEO’s theory of change is that if the employment needs of persons with criminal convictions are addressed at their most vulnerable point—when they are first released from incarceration or soon after conviction—by providing life skills education, short-term paid transitional employment, full-time job placement, and post-placement services, they will be less likely to become reincarcerated and more likely to build a foundation for stable, productive lives for themselves and their families. SOURCE: “CEO Theory of Change,” [http://ceoworks.org/about/what-we-do/ceo-model/](http://ceoworks.org/about/what-we-do/ceo-model/)
and 4) build on the CEO programs’ track record and existing evidence base of successful outcomes.

The selection of impact metrics aligns closely with the SIB’s impact targets and was shaped by several contextual and internal factors. First, this innovative form of performance-based contracting and financing allows the government to purchase results (e.g., increase in employment) rather than purchase social services that may or may not achieve desired objectives, thus enabling more effective and efficient use of taxpayer dollars. For this reason, it was important that outcome rather than output measures were selected. Second, the nature of the public-private partnership is such that all parties to the transaction should be aligned around the project’s desired social outcomes. Thus, it was critical to select metrics such as average number of days incarcerated per person that were meaningful to the State and service provider, while being easily measured and evaluated so that investors could have confidence in the calculation of financial return. Third, the project partners wanted to ensure that real societal changes would occur due to the intervention; the metrics therefore had to represent significant improvement for this population—such as proof of successful employment—and be indicative of long-term change.

While it is too early to assess lessons learned from the New York SIB’s impact measurement approach, notable measurement strengths include its use of an RCT to test the intervention alongside real-time data to continually inform service delivery and course corrections, and track progress toward the project’s impact goals.

**Guidelines**

- By nature of the SIB contracting process, all parties involved in the New York State SIB had to collaborate to define impact goals (which were informed by Governor Andrew M. Cuomo’s policy priorities) and an impact measurement methodology.
- The parties also collaborated to select three outcome metrics that could be used as indicators for project success and thus to calculate performance-based payments to investors (the SIB’s impact goals are to reduce recidivism and increase employment among high-risk, formerly incarcerated individuals compared to counterfactual data). In addition, interim outputs (i.e., operational data) such as enrollment rates in CEO’s programs, are being incorporated to help gauge whether or not project operations are on track.
- Project data is collected from State administrative systems and CEO. The CEO project data is stored using a Salesforce platform.
- CEO and the State share individual- and aggregate-level operations data via Excel reports with the project partners on a weekly, monthly, quarterly, and ad hoc basis, according to a schedule set out in the project’s governance structure. Regular data reporting is used to inform investors of the project’s progress to date.
- The project partners regularly analyze the interim operational and project data, including anecdotal reports from the field. The data is used to evaluate the effect of the project on participants and CEO-specific data is used to inform and adjust operations.
- Continuous data reporting enables SIB partners and CEO to analyze the program’s impact and make decisions accordingly. (Given the contractual nature of SIBs, it is not possible to change desired social outcomes on the SIB term sheet or for investors to remove their funding; however, CEO can make adjustments to the program if it seems that it would not achieve its intended impact.)

**Set Goals**

In 2012, Governor Andrew M. Cuomo announced the State’s priority to apply the PFS model to reduce recidivism and increase employment among high-risk formerly incarcerated individuals. The dual goals were grounded in the theory that this population is less likely to reoffend if their employment needs are met upon release from prison. In addition to delivering better outcomes for a vulnerable population, achieving these goals would allow the State to reduce incarceration, as well as victim and public

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6 Impact Measurement Working Group (IMWG) interview with Jill Scherer, Social Finance US. Associate Director and Grants Manager, August 2014
7 Ibid
8 Ibid
9 Ibid
10 Ibid
assistance costs while increasing tax revenue.\textsuperscript{11} CEO has a track record of achieving these goals through its programs, which include life skills education, short-term paid transitional employment, full-time job placement, and post-placement services.

**Develop Framework & Select Metrics**

New York State, Social Finance, and CEO worked together to structure the project and select metrics with the help of law firm Jones Day and the Harvard Kennedy School Social Impact Bond Technical Assistance Lab. State payments to investors will be calculated based on three outcome metrics: 1) average number of days incarcerated per person during the observation period; 2) income in the fourth quarter following release from prison; and 3) number of those who start a CEO transitional job during the observation period, approximately 3 years starting from the time each individual is released from prison\textsuperscript{12}. These metrics were chosen because they:

- Align with the intervention’s theory of change;
- Represent meaningful improvement in the lives of individuals served;
- Tie to public-sector savings and other benefits;
- Can be captured by existing state administrative data and management systems; and
- Reflect successful intervention methods, as demonstrated by prior evaluations.\textsuperscript{13}

The impact of the intervention will be measured using an RCT, in which the employment and recidivism outcomes of the treatment group will be compared to the outcomes of a control group of individuals who are referred by parole officers to services based on their needs per standard State procedures. The New York State Department of Corrections and Community Supervision Division of Program Planning, Research, and Evaluation will execute the evaluation methodology. If the RCT is not sufficiently informative (e.g., because of only a small difference in the percentage of individuals in the treatment and control groups who use CEO’s services), then the evaluators will look at historical data to estimate whether outcomes were achieved.\textsuperscript{14}

**Collect & Store Data**

Data on the outcomes of each individual will be collected from the time he is released from prison until the end of the observation period. Data comes from three primary sources: 1) the New York State Department of Corrections and Community Supervision administrative data systems; 2) New York State Department of Labor’s quarterly unemployment insurance wage data; and 3) CEO intervention data. CEO collects and stores this data using a Salesforce platform.

**Validate Data**

Chesapeake Research Associates, a public policy research and evaluation company, is reviewing the implementation of the evaluation methodology and verifying the results. After measurement has occurred, Chesapeake Research Associates will conduct a thorough review of the data processing and statistical measures and procedures laid out in the PFS contract to determine whether the outcome measurement and calculation were conducted using accurate data and the agreed-upon evaluation methodology.

**Analyze Data**

Throughout the project, Social Finance, CEO, and the New York State agencies are monitoring key metrics in order to oversee project implementation and make course corrections as required. To inform decision-making, CEO and the State share individual- and aggregate-level operations reports with the project’s partners on a weekly, monthly, quarterly, and ad hoc basis. Data is shared in an Excel format according to a schedule set out in the project’s governance structure. More on this topic is discussed in “Make Data-Driven Investment Management Decisions” below.

\textsuperscript{11} Additional tax revenue is generated from income taxes on higher wages and sales taxes on additional purchases. From Impact Measurement Working Group (IMWG) interview with Jill Scherer, Social Finance US Associate Director and Grants Manager, August 2014


\textsuperscript{13} In particular, the SIB-financed intervention previously underwent a rigorous, independent RCT evaluation to determine its impact on participants’ rates of employment and recidivism. From IMWG interview with Jill Scherer, Social Finance US Associate Director and Grants Manager, August 2014

\textsuperscript{14} IMWG interview with Jill Scherer, Social Finance US Associate Director and Grants Manager, August 2014
Report Data
The New York State SIB provides formal quarterly investor reports, which outline participants’ interim progress. Although the results of key metrics will not be available until after the observation period when impact is measured according to the evaluation methodology, the data shared in the investor reports provides operational data on the treatment group’s progression through CEO’s programs. When the SIB’s evaluation is complete in 2019, New York State will make the results public.15

Make Data-Driven Investment Management Decisions
Since the project’s launch and throughout its duration, the project partners have been coordinating closely to monitor interim results and manage risks in order to maximize the achievement of social outcomes. For investors, performance management is critical to their willingness to participate in the transaction. Shared real-time data as well as anecdotal reports from the field are reviewed by the partners and provide rich insight into the project’s operations, enabling partners to collectively identify opportunities to improve operations and make course corrections based on what is working and what is not. For example, data about enrollment numbers in CEO’s programs signal whether the project is attracting participation at the desired levels.

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CASE 3: Investisseurs & Partenaires

**Geography:** Based in Paris, invests in Africa  
**Sector:** Multiple: transport, energy, construction  
**Target Beneficiaries:** Multiple  
**# of Metrics:** Depends on investee  
**Draws from Common Impact Language (e.g., IRIS):** Investees required to report using IRIS metrics  
**Application of WG Guidelines:** 7 of 7

**Description**

Founded in 2002, Investisseurs & Partenaires (I&P) is an impact investment group which invests in small and medium enterprises (SMEs) in 14 countries across Africa. It defines its mission as contributing to the development of a sustainable private sector in Africa and promoting a new generation of African entrepreneurs. I&P has invested in 50 companies to date, and has around EUR 70 million under management.  

I&P’s goals for its impact measurement approach are, in their words, “to enable better monitoring of investments, assess the impact that investees have on their communities, and facilitate performance reporting to investors.”

I&P’s impact measurement approach is shaped by both its internal and external context. I&P’s internal context is as a well-resourced impact fund led by leaders with investing and economic development experience – and how to measure impact in both fields. Externally, their investee companies operate in Africa where they often face challenges around elements of impact measurement, including data collection (where electronic data collection and management is not an option) and lack of publically-available data for counterfactuals.

Since 2012 when they I&P launched its second fund (called I&P Afrique Entrepreneurs (IPAE)), I&P has invested considerably in building out its impact measurement approach including developing a detailed impact measurement methodology outlined below. From 2002-2012 they had worked without a unified impact measurement strategy (although during this period they worked with their investees to put ESG policies in place —this is outlined further in the more detailed version of this case study in the appendix). This changed because their founders thought having more impact data would be very useful to monitor their investments and it would be valuable for the entrepreneurs whom they support.

I&P’s greatest lesson from its impact measurement is, in their own words, how their new focus on impact measurement “has created real value for our organization, for our investors, and for the companies we fund — more than could have anticipated at the start. In particular, our investee companies found that improved impact measurement practices were not only gratifying for them to gain insight into whether they are achieving their intended impact — but they also enabled them to raise more funds from other investors.”

Looking ahead, I&P states that its focus for improving its impact measurement approach is to determine how to reduce the data reporting burden on the entrepreneurs they work with. As their ESG officer put it, they “ask their investees for impact reporting, for ESG reporting, and for financial reporting and that ultimately that is just too much. We have to get better at synthesizing and simplifying - being pragmatic in order not to be burdensome for them.”

**Detailed Guidelines**

- I&P discusses its impact goals (outlined in its mission above) with potential investees from the start and works to 1) determine if they have an aligned impact goals around how they hope to create social and environmental impact from their work, 2) help them to articulate their impact goals, or theory of change, in a manner which can then inform their

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16 Investisseurs & Partenaires ESG & Impact Policy and Management System Overview, May 2014  
17 Deloitte Consulting LLP interview with Elodie Nocquet, I&P Financial and ESG Officer, Pierrek Baraton, I&P Impact Assessment Officer  
18 Investisseurs & Partenaires ESG & Impact Policy and Management System Overview, May 2014  
19 Deloitte Consulting LLP interview with Elodie Nocquet, I&P Financial and ESG Officer, Pierrek Baraton, I&P Impact Assessment Officer  
20 Ibid.
broader impact development framework.

- I&P collaborates with its investees to help each company develop their own specific impact framework – including selecting appropriate metrics. Metrics are derived from IRIS when possible and, according to I&P’s impact methodology, are usually categorized into six general impact areas which include, among others, impact on local community, impact on local environment and impact in terms of access provided to services and products for target beneficiaries. Once an impact framework is in place, I&P’s investees collect impact data on an annual basis according to the specific metrics which they selected. I&P aggregates its data on an annual basis and analyzes this data at both an investment and fund level. They do not analyze impact data across funds currently – but hope to do so in the future.  

- I&P provides what it terms a comprehensive “ESG and impact” report to its investors annually. They also hold seminars twice a year during which the investment team discusses their impact data, what it tells them about their investments and portfolio as a whole, and how it feeds into their broader investment strategy. They use these seminars to make decisions related to 1) how their investees can achieve greater impact from their work; 2) how their investees can improve their measurement approaches; and 3) how I&P as a firm can find new investment opportunities which will help them advance towards their overall impact goals.

Set Goals

The mission of Investisseurs & Partenaires (I&P) is to contribute to the development of a sustainable private sector in Africa and to promote a new generation of responsible African entrepreneurs. I&P works to achieve this mission through both ESG policies and an impact strategy (they treat these as separate things), at both an investee and portfolio level.

I&P discusses ESG policies and impact objectives with its investees early on in its investment process (starting in the due-diligence process) and on an ongoing basis throughout the investment cycle. To date, I&P has found that most of the entrepreneurs whom they fund articulate theories of value-creation similar to their own – “wanting their companies to contribute to the social and economic development of their countries” and being motivated “not only to achieve business growth but also by desire to create positive social and environmental change.” I&P and its investee companies not only discuss, and align around, their overarching impact objectives (and how measurement helps them advance towards objectives) in this initial dialogue - but they also identify all the stakeholders and financial risks as well as impact opportunities related to each investee. Together with each investee, I&P develops an action plan to achieve specific impact goals, including actions required, timeframe, proposed responsibilities and costs required.

Develop Framework & Select Metrics

I&P uses their in-house impact measurement methodology as a basis to work with investees to develop their own specific impact frameworks and to select specific indicators most relevant to their work. (When possible, they work with investees to select metrics derived from IRIS). I&P also collaborates with their investees to assess the ‘baseline’ of a company’s impact at the beginning of their investment process. Finally, I&P annually conducts an in-depth impact evaluation on one of its portfolio companies to get more detailed impact information (qualitative as well as quantitative) at a local level – and to assess the extent to which an investee has achieved their initial impact objectives.

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21 Investisseurs & Partenaires ESG & Impact Policy and Management System Overview, May 2014
22 Deloitte Consulting LLP interview with Elodie Nocquet, I&P Financial and ESG Officer, Pierrek Baraton, I&P Impact Assessment Officer
23 Since I&P’s ESG policies are distinct from its impact measurement approach and not the focus of this case-study, we included relevant context on their ESG work in this footnote rather than in body of the case-study itself. I&P’s ESG overall ESG approach is as follows, as described in email correspondence to Deloitte Consulting LLP team from Elodie Nocquet, I&P’s Financial and ESG Officer, June 2014. “I&P is committed to working with all of its portfolio companies to help them formulate, and achieve, environmental, social and governance (ESG) objectives which they believe are particularly relevant for African SMEs: to combat climate change through the promotion of energy efficiency (E), to create jobs and promote social protection (S) and to fight against corruption (G). To meet these objectives, I&P implements shared actions for ESG management across its portfolio and provides innovative ESG solutions to its investees. It measures progress of its investees as they apply recommended ESG policies – but this is distinct from their broader impact framework and measurement towards its impact objectives.”
24 Deloitte Consulting LLP interview with Elodie Nocquet, I&P Financial and ESG Officer, Pierrek Baraton, I&P Impact Assessment Officer
25 Deloitte Consulting LLP interview with Elodie Nocquet, I&P Financial and ESG Officer, Pierrek Baraton, I&P Impact Assessment Officer
26 Email correspondence to Deloitte Consulting LLP team from Elodie Nocquet, I&P’s Financial and ESG Officer, June 2014
27 Deloitte Consulting LLP interview with Elodie Nocquet, I&P Financial and ESG Officer, Pierrek Baraton, I&P Impact Assessment Officer. Ms. Nocquet that counter-factuals were not plausible in their context.
Collect & Store Data
I&P’s investees collect impact data on an annual basis according to the specific impact framework and metrics which each investee selected. I&P works with its investees to put in place “sound ESG and impact data management procedures” including use of a reliable data storage system as they collect and store data. All investees report their data to I&P on an annual basis – I&P stores and manages this impact data securely.

Validate Data
I&P carries out several cross-checks on the data it collects from investees: 1) Consistency checks: comparison with other companies from the same sector/country and with previous year results; 2) Cross-checks with the investment team for most meaningful metrics. It does not validate or assure its impact data, internally or through a 3rd party.

Analyze Data
I&P aggregates impact data and, on an annual basis, analyzes this data at both an investment and fund levels. (To date, they only analyze impact data within a specific fund basis because they have more detailed impact data on one of their funds than another (given that one was launched in parallel to their development of an impact measurement framework, they have more data on investees in one portfolio than the other). They hope to remedy this over time and to compare impact across funds in the future. Also, because I&P invests in diverse companies – across sectors, countries and stages of maturity – they feel that is difficult enough to compare impact across specific investments, much less across funds.

Report Data
I&P provides a comprehensive “ESG and impact” report to its investors on an annual basis. This report generally includes: 1) a recap on I&P’s ESG & impact tool, and their implementation at both investee and fund level; 2) a review of investee companies’ measurable impacts on local stakeholders; 3) an update on their ESG portfolio strategy (which is distinct from their impact strategy); and 4) a detailed ESG and impact report on each of their investee companies. In addition, since they carry out a detailed impact evaluation on one of their investees each year they also provide this to their investors in a separate report.

Make Data-Driven Investment Decisions
I&P holds seminars within its investment teams twice a year during which they discuss their impact data, what it tells them about their investments and portfolio as a whole, and how it feeds into their broader investment strategy and ESG portfolio strategy. They use these seminars to make decisions related to 1) how their investees can achieve greater impact from their work, 2) how their investees can improve their measurement approaches; and 3) how I&P as a firm can seek new investment opportunities which will help them advance towards their overall mission and impact goals. I&P also shares their analysis of impact data with investees so that they can use it for important decision-making and continuous improvement of their work.
Oikocredit is a cooperative based in the Netherlands that has a strong regional/local presence and membership spanning the globe. It offers loans and other investments to mostly microfinance institutions, cooperatives, fair-trade, and small- and medium-sized enterprises in developing countries. It is one of the world’s largest sources of private funding for the microfinance sector, with €779 million in total assets and €595 million in capital outstanding. Oikocredit has 854 partners (including 566 microfinance organizations in which Oikocredit has invested) in almost 70 countries. Through its primary investments and through the microfinance institutions (MFIs) in which it invests, Oikocredit reaches 28 million beneficiaries worldwide.

Oikocredit has four goals for its impact measurement approach: 1) to assess the social performance (impact) of its partner organizations; 2) to work with partner organizations to improve their impact measurement and delivery capabilities; 3) to inform members of the cooperative who seek a social return along with a financial return; and 4) to legitimately present the organization as a social investor.

Oikocredit’s impact measurement approach is shaped by a variety of internal and external factors. First, given its structure as a cooperative of investors and its role as an intermediary, Oikocredit’s impact measurement practices depend heavily on the participation of the MFIs in which it invests. Oikocredit’s impact measurement activities therefore not only include advancing the application of impact measurement across its partners, but also supporting broader capacity-building efforts for a select number of partners to promote a culture of measurement across the MFI network.

In addition, Oikocredit’s MFI partners work in diverse, (mostly) low- and middle-income countries, where impact measurement can be more challenging (e.g. operating in isolated rural areas where it can be difficult to collect data and where there is limited availability of public data). Given this external environment, Oikocredit caters its measurement processes, working with several of their MFI partners, to measure impact in a manner appropriate to their context and proportional to their available resources.

Oikocredit began to measure its impact in 2006 as a way to become more conscious of the degree to which it was achieving its social mission, and to align with several sector-wide initiatives, including those promoted and enabled by the Social Performance Taskforce and MIX Market. Oikocredit has continued to refine its measurement practices since then, both through internal feedback and participation in broader measurement dialogues in microfinance. In 2010, Oikocredit made significant improvements in its data collection processes, and in 2013, the cooperative conducted its second third-party audit of its measurement systems. The rating report qualified Oikocredit’s overall social performance as excellent.

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28 General information and background in this case study comes from the sources listed here, specific data points are attributed when relevant. Core sources: Deloitte Consulting LLP Team interviews, and ongoing correspondence in June 2014 with Kawien Ziedses des Plantes (Corporate Communications Manager), Robin Gravesteijn (Analyst Social Performance), Ging Ledesma (Social Performance and Financial Analysis Director) and Sonja Ooms (Programmes Managers, Social Performance & Credit Analysis Dept.). Information on Oikocredit’s Social Performance Measurement also from Oikocredit’s website (http://www.oikocredit.coop/what-we-do/social-return/) and in Oikocredit’s 2013 Social Performance Report (http://www.oikocredit.coop/publications/social-performance-reports).

29 http://www.oikocredit.coop/


31 The Social Performance Task Force consists of over 1,600 members from all over the world and every microfinance stakeholder group with the mission to engage with microfinance stakeholders to develop, disseminate and promote standards and good practices for social performance management and reporting. http://sptf.info. The Microfinance Information Exchange (MIX) delivers data services, analysis, research and business information on the institutions that provide financial services to the world’s poor. www.themix.org
Oikocredit credits both its investors’ dedication to impact measurement, which drives the cooperative’s tireless work for continuous improvement in its partner organizations, as well as the commitment of partner organizations themselves to impact as key factors in the success of Oikocredit’s impact measurement to date. When we asked Oikocredit about how they would like to see their impact measurement approach evolve, they spoke of improving their ability to measure the additionality of their investment/impact on partners and of continuing to improve their measurement capacity and the capacities within their partner organizations, as well as feeding the data outcomes back to them for learning and better steering purposes.

Guidelines

- Oikocredit’s mission is to empower disadvantaged populations through access to credit. While the cooperative has a clear mission and strategy, it does not have an explicit Theory of Change (TOC). Instead it selects partners that align to its overall mission and works to understand and enable their TOCs through investment and partnership.
- Oikocredit developed an ESG Scorecard together with a monitoring protocol, which form the basis of its measurement framework, as a means to assess each of its partner organizations progress towards their Theory of Change. The Scorecard contains a list 23 metrics and is filled out by a country manager during a filed visit made to the partner organization. It is supplemented with an additional 21 indicators submitted by the partner organization. Oikocredit collects and aggregates the data they receive via scorecards in a repository system, where the data is stored for validation and analysis.
- Oikocredit validates its impact data at multiple levels. Regional managers validate country data before sending it to their global office, where a dedicated team revalidates the data before approving it for analysis. Once the data is validated, Oikocredit writes a social performance report at the regional and global level.
- Global, regional and country managers use various reports and intend to work with partners to analyze and interpret the data, identifying implications and supportive/corrective actions. Oikocredit also produces an annual Social Performance Report, which aggregates all of its partners’ performances against key metrics.
- Finally, Oikocredit has a strong commitment to data-driven management and continuous improvement. It makes decisions around investments based on the findings of its Social Performance Report and works with partners to improve their measurement practices and activities to maximize their impact.

Set Goals

Oikocredit’s mission is to empower the disadvantaged with credit. While the cooperative has a clear mission and strategy, it does not have an explicit Theory of Change (TOC). Instead it selects partners that align to its overall mission and works to understand and enable their TOCs through investment and partnership. Oikocredit measures impact 1) to assess the social performance (impact) of their partner organizations (steering, learning); 2) to work with partner organizations to improve their impact measurement and delivery capabilities (steering, learning); 3) to inform members of the cooperative who seek a social return along with a financial return (accountability); and 4) to present the organization as a social investor (profiling).

Develop Framework & Select Metrics

Oikocredit designed an ESG scorecard to perform due diligence on potential partner organizations and evaluate their risk and performance, once selected. This Scorecard in combination with sector-wide indicators forms the basis of Oikocredit’s measurement framework and is aligned with a number of industry standards, including MFTransparency, the Client Protection Principles, UNPRI, IRIS, and with CERISE’s SPI tool.

Country managers then use the Scorecard in discussions with partners’ management to collect data in accordance with it. Country managers also provide ongoing feedback on the relevance and applicability of the Scorecard so that Oikocredit can refine its framework and metrics and ensure that it is applicable to partners’ operations and country contexts.

The Scorecard also incorporates an assessment of partner processes, as well as specific metrics designed to measure negative impacts, such as high interest rates or not having applied the Client Protection Principles.

Collect & Store Data

Oikocredit collects data from partner organizations both as an ongoing part of its operations and at the end of each year. Country managers act as contact persons for the country’s partners. Whenever a country manager visits a partner office, he or she collects and inputs data into the partner’s Scorecard via a repository system, where it is stored for validation and analysis. Furthermore, Oikocredit conducts a robust annual collection of metrics and indicators from its partners, who provide data to country managers. The most recent collection resulted in 94% of partners submitting data.
Oikocredit works to ensure partners are not burdened by data collection. The collective uses a partner satisfaction survey to gather feedback from partners, with a particular focus on reporting requirements. Oikocredit also provides technical and operational advice and support to partners to help with measurement activities.

Validate Data
Oikocredit validates its impact data at multiple levels. Regional managers validate country data before sending it along to their global office, where a dedicated team validates the data again before approving it for analysis. These validation procedures help guarantee that reliable data is available to assess its social performance at a portfolio and individual investment level. Oikocredit also conducts third party audits on its impact data, one in 2009 (M-Cril) and one in 2013 (Planet Rating). The most recent rating report qualified Oikocredit’s overall social performance as excellent.

Analyze Data
Global, regional and country managers then work with partners to assess and interpret the data, identifying implications and supportive/corrective actions throughout the year.

Oikocredit has developed a dynamic dashboard that can analyze results by comparing partner and country results against other partners/countries, benchmarks, MIX market data, and global data. Regional managers can use this dashboard during meetings with country managers and partners to discuss data via instant comparison analysis.

As part of its annual performance review, Oikocredit produces social performance reports at the regional and global level. These reports detail performance against defined metrics and indicators, as well as against market norms and trends. Reports are provided to regional and country managers.

If Oikocredit determines certain data or specific metrics or indicators to be irrelevant or unbenevolent, it will adjust its collection practices as necessary.

Report Data
In addition to the detailed performance reports that Oikocredit provides to its partners, it produces an annual Social Performance Report, which details aggregate partner performance against key metrics. The report, along with Oikocredit’s newly developed dashboard, provides insights for Oikocredit’s managers and partners, through webinars and workshops.

Oikocredit shares this report on its website, where it also details its methodology, validation procedures, management practices and qualitative impact.

Make Data-Driven Investment Decisions
As noted, Oikocredit maintains an active relationship with investors and partners. Data is collected and reviewed together in order to make informed decisions, including in difficult situations, such as when an MFI partner is charging high interest rates. Partners then modify their operations based on the analysis.

Oikocredit also uses its data to cater and select appropriate future investments, both through the insights generated and through better due diligence practices from continuous improvement of the Scorecard.

And finally, Oikocredit spends significant time building the measurement capacity within several partner organizations through its mentoring program, as well as within the broader field through participation in industry initiatives, including the Social Performance Taskforce and Progress Out of Poverty.
CASE 5: One Acre Fund

**Geography:** Kenya, Rwanda, Burundi, and Tanzania  
**Sector:** Agriculture  
**Target Beneficiaries:** Small share-holder farmers  
**# of Metrics:** 5 outcome metrics (across 3 areas: scale, impact and sustainability)  
**Draws from Common Impact Language (e.g., IRIS):** None  
**Application of Seven Guidelines:** Uses 7 out of 7

**Description**

Founded in 2006, One Acre Fund is a not-for-profit organization that supports rural farmers in East Africa and focuses on helping them increase their harvest yields and overall profits by improving their productivity at each level of the farming value chain. Its overall premise, or “theory of change” (TOC), is that by reducing various productivity barriers, farmers can increase their yields and therefore profits, ultimately lifting themselves out of poverty. To date, the organization has worked with more than 180,000 farmers across the region. One Acre Fund’s specific business model consists of a bundle of four related services: delivery of farm inputs to rural clients, flexible financing for those inputs, agricultural training, and post-harvest support such as training on optimal storage practices. The impact goal from these services is $135 of profit per farmer per year of increased income from all One Acre Fund products and services.

One Acre Fund has three primary goals in developing its impact measurement approach: 1) to assess progress against its mission of moving African farmers out of poverty, 2) to identify actionable information to improve operations and continue developing its program, and 3) to demonstrate the credibility of its approach.

One Acre Fund’s impact measurement approach is also shaped by a variety of internal and external factors. As a not-for-profit organization operating in rural East Africa with limited resources, One Acre Fund takes a highly pragmatic approach to impact measurement by focusing on 7 core outcome metrics which it believes are critical to assess whether it is achieving its intended mission. One Acre Fund does not customize its measurement for different investors/funders, nor does it use a commonly accepted impact language or reporting framework.

One Acre Fund has applied roughly the same impact measurement approach to its work since its founding, collecting outcome performance data focused on assessing farmers’ changes in yields and income due to their program. While there has been some evolution in indicators selected over time (for example, in 2006-2007, they initially collected data on metrics around child nutrition and mortality), the core indicators applied (number of farmers served, dollar and percentage increase in take-home farm income, and percentage program sustainability) have not changed.

One Acre Fund credits the strength of its impact measurement approach to date to 1) its investment in impact measurement on the ground (training data collectors and back-checking their data); 2) close relationships and open communication among its investors, field staff and farmers in order to make sure that it keeps its reporting requirements reasonable and meaningful; and 3) commitment to quality data through sampling of farmers against randomized control groups.

One Acre Fund states their future priorities as “improving the quality of our data and the methodology we use to assess our impact (e.g., using a more comparable comparison group). Also looking at better understanding the secondary impacts on our farmers in terms of changes in nutrition, health, education and investments in productive endeavors.”

**Guidelines**

- In regards to its guidelines on goal-setting and framework development, One Acre Fund assesses its success across three areas - scale, sustainability and impact – and uses seven indicators to track its progress across them.

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32 Deloitte Consulting LLP Team interview with Kim Siegal, One Acre Fund Director of Monitoring and Evaluation, May 2014  
33 Ibid.  
34 2013 One Acre Fund Impact Report, [http://www.oneacrefund.org/](http://www.oneacrefund.org/): 7 indicators which they report on are as follows: 1) # of farm families served, 2) Full time staff, 3) acres cultivated; 4) Average % gain in income per acre; 5) Absolute dollar impact per farmer; 6) % field sustainability; 7) % repayment (% of farmers who repay the loan of farm inputs received)  
• **In terms of data collection and storage**, One Acre Fund trains and establishes a network of on-the-ground M&E agents who are responsible for collecting impact data and storing it in their local field offices. Although this approach is more resource intensive, One Acre Fund has chosen to train and manage these M&E agents rather than rely on self-reported data provided by farmers.

• One Acre Fund **validates** and ensures the integrity of its impact data by building in regular quality checks on harvest yield data and by double-surveying a sub-set of their farmers to verify that accurate data has been collected. 36

• In regards to **data reporting**, One Acre Fund publishes an annual, organization-wide performance report. The annual report has proven to be sufficient for the vast majority of its investors and funders - customized reports are the exception.

• **In terms of data analysis and use of impact data for decision-making**, One Acre Fund’s leadership and board use the annual impact report not only to identify areas in which greater impact may be achieved but also to re-assess the organization’s current business model. In addition, each of One Acre Fund’s country offices also uses the quarterly/annual impact data to conduct a similar discussion at the local level. 37

**Set Goals**

One Acre Fund’s founders generated a Theory of Change (See Description) when they first established the organization, before they received capital from impact investors. They used this TOC as a basis for their internal impact measurement strategy to ensure that their measurement remained focused on tracking progress against their over-arching goals. 38

The Fund reassesses its social and financial performance objectives on a regular basis and realigns on impact expectations among the leadership team, country directors, and their board. In addition, its business development team also works with potential and current investors to ensure that they have realistic expectations for financial and social/return on their investments. 39

One Acre Fund not only focuses on the positive outcomes of their work, but also identifies the potential negative impacts, such as the environmental consequences associated with fertilizer use and the risk to farmers if they are unable to pay loans.

**Develop Framework & Select Metrics**

As with other parts of their impact measurement approach, One Acre Fund developed a measurement framework in the early-stages of the organization, and applies this framework disregarding which investor and/or investment cycle is at play.

One Acre Fund selects metrics which they believe provide insight into how they are achieving their over-arching mission and the three areas of impact. One Acre Fund currently does not use metrics that align with or drawn from any existing impact language (e.g., IRIS) or taxonomy. One Acre Fund assesses its impact against what they believe to be a reasonable comparison group (in order to avoid selection-selection bias, the Fund uses One Acre Fund farmers who want to join the program but have not been given inputs as a comparison group).

As noted before, while One Acre socializes its impact measurement framework and discusses the importance of assessing impact over time with potential investors and funders, it aspires — and so far has not had to — develop multiple impact frameworks to meet individual investor and funder demands. It communicates to its investors and funders why it selected particular metrics and collaborates with them to see if it is possible not to develop additional ones. 40

One Acre Fund has not engaged local stakeholders around their framework and metrics specifically, but they make clear through their work their mission to help farmers increase yields and profits and move out poverty. The farmers they work with, and employees within their communities, are aware of this over-arching goal.

**Collect & Store Data**

One Acre Fund employs a large team of local M&E agents in the field to collect yield data and distribute surveys to farmers. These M&E agents have been trained in data collection. Specifically, they weigh a portion of each farmer’s harvest and analyze it...
against the data collected for comparable farmers. They also conduct paper surveys with their farmers. The agents collect the data from farmers and their fields and then securely store this data in local field offices. One Acre Fund works to back-check its data. In other words, after M&E agents return from the field, farmers are randomly selected to answer the same questions from the survey in order to ensure that M&E agents are doing their jobs and to identify any data collection and quality issues. M&E agents are also given field feedback assessments in which they are observed by a supervisor and rated on their performance.

As outlined above, One Acre Fund selects the metrics that it believes are the most meaningful and collects data accordingly. To date, it has been successful in convincing investors that the data it has collected is sufficient and comprehensive – this may change as it diversifies its investors in the future.

**Validate Data**

One Acre Fund verifies and back-checks its own data. As discussed in the Data Collection section above, once M&E agents return from the field, farmers are randomly selected to answer the same questions from the survey in order to make sure that M&E agents are sufficiently completing their jobs and to identify any data collection and quality issues. M&E agents are also given field feedback assessments from their supervisors. However, the Fund does not have 3rd party verification or peer assurance methods.

**Analyze Data**

One Acre Fund assesses its yield data against its established goal of $135 profit per farmer. It also studies its data across districts, crop types, and countries to understand why some areas and crops achieve higher yields or more profits for farmers than others.

**Report Data**

One Acre Fund’s publishes a public annual impact report as their main means of reporting data to its various funders ranging from individual supporters to larger funders and investors. In addition, it creates quarterly reports for specific funders and investors as needed. The annual report is transparent about positive, as well as negative impacts or missing impact goals.

**Make Data-Driven Investment Management Decisions**

One Acre Fund analyses the data it collects in order to identify areas in which its business model may not be operating as expected and to make appropriate adjustments accordingly. For example, data analysis revealed nuances to its work in Burundi relative to other countries (due to both smaller land plots of farmers there and farmers’ lower adherence to training programs in Burundi), One Acre Fund made changes in its measurement and programmatic approach in Burundi based on this analysis. (Specifically they changed their outcomes metrics to be % change in farmers’ income (rather than dollar gain) so that it was more comparable for farmers across countries – and they added some additional supervision of M&E agents in Burundi to address training adherence challenges).

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41 Details on their harvest weigh data: We use the harvest weigh, based on how big their land size, to decide yield per acre and overall (extrapolate) - use that data to figure out what their profit is, subtracting costs based on previous survey

42 Transparency about impacts, particularly when positive impacts were not as anticipated, is evident in One Acre’s 2013 Annual impact report where they discuss how corn virus in the region devastated many of their farmers’ crops and meant that they, as an organization, missed their impact goals for the year.