CDS Briefing Paper:

May 2016

Social impact investment and the attribution challenge

Social impact investors aspire both to earn a positive financial return for themselves and to generate wider benefits to society. As this sector has expanded so has debate over how its wider social impact should be assessed. This paper reports on a workshop convened by the University of Bath's Centre for Development Studies to address this issue. The workshop reviewed current practice, drawing particularly on experience in the field of microfinance. It also focused on scope for addressing the challenge of attributing impact to specific investments through better use of qualitative as well as quantitative methods. It concluded that there is scope for building demand for better quality social impact assessment and promoting benchmarks of good practice. Part 1 of this note summarises the workshop discussions, and Part 2 provides a survey of a range of available frameworks, standards, platforms, guidelines and tools for assessing the social effects of impact investment that was prepared for the workshop.

We are grateful to all participants for their contributions to the discussion (see Box 1), to Lesley McKay for help with organisation of the workshop and to Fiona Remnant for doing both and for editing this report.

Max Nino-Zarazua and James Copestake

Part 1: Workshop Report

1. Introduction

1.1 Rationale for the workshop

Interest in the social impact of businesses - alongside their financial and environmental performance - is increasing. A growing community of business investors are seeking both to measure and to manage their social impact more explicitly. This is happening in both mature and emerging market contexts, and in the hope that innovations in social impact management can be achieved alongside improvements in long-term business profitability and growth.

Linked to this interest is the proliferation of tools, guidelines and standards for assessing the social performance and impact of businesses. For example, standard metrics of business profitability, employment creation and customer satisfaction are being supplemented by new indicators of client well-being.

However, it is one thing to monitor change in selected social indicators, and quite another to <u>attribute</u> these changes reliably to different causal factors, including specific investments. Those immersed in a particular business context may be able to make strong and reliable judgements about this for themselves. But their very proximity to the changes taking place often weakens the credibility of the causal claims they make in the eyes of more detached t investors and regulators. It is indeed easy both to overestimate our own objectivity and to mislead ourselves about the importance of our own actions relative to other forces at play.

In order to strengthen the credibility of social impact investment this attribution issue has to be honestly and squarely addressed. This entails going beyond key performance indicators and applying methodologies that assess the main causes and underlying drivers of observed changes.

> Updates, reports and a guide to using the QuIP, including the full questionnaire, are available at:
>
> **www.qualitysocialimpact.org**
>
> Staff from the ART project have set up a non-profit research organisation which specialises in QuIP consultancy projects to fund future development of the methodology. Contact us at info@bathsdr.org to find out more.

This research and workshop was sponsored by the ESRC-DFID joint fund for poverty alleviation researcher under grant number ES/N015649/1.

Of course, the need for this is hardly new: causal inference is indeed fundamental to science. But in a business context there is the additional challenge of finding ways to attribute effects to causes in a way that is cost-effective, even in rapidly changing and complex contexts. The need for stronger attribution systems to inform social impact investment remains widely neglected. This is partly because it is difficult, can be expensive and risky (because outcomes may not always confirm expectations). Neglect may also reflect short-term self-interest and a reluctance to challenge the 'warm glow' generated by wishful thinking about our own effectiveness. For those willing to invest the significant sums required, randomised control trials (RCTs) have been promoted as a robust way of addressing the attribution problem. However, experimental and quasi-experimental impact assessment methods have their own limitations in terms of flexibility, timeliness and cost. This reinforces the need to develop alternative impact evaluation options, and/or to be more honest about what can reliably be assessed, and what has to be managed on the basis of more subjective judgement[1].

1.2 Workshop overview

On 7-9th March 2016 the Centre for Development Studies, University of Bath convened a select stakeholder workshop to explore the scope for building stronger industry norms and standards for social impact assessment, particularly using qualitative approaches. Its main goal was to review how impact investors could best generate evidence to substantiate claims about the social impact - on individuals, households and communities - of philanthropic or social investments, including those intended to promote financial inclusion and pro-poor value chain development. This attribution challenge was seen as complementary to the task of developing clear and robust quantitative indicators for monitoring social change.

The workshop was prompted by positive feedback from both practitioners and evaluation specialists on the scope for promoting more credible and cost-effective impact assessment using the Qualitative Impact Protocol (QuIP). This was developed under a recently completed CDS action research project funded by the UK Department of International Development and the Economic and Social Research Council.[2] The workshop was sponsored by an additional DFID-ESRC grant that allowed the participation of monitoring and evaluation specialists, donors, impact investors, academics and practitioners from the United Kingdom, Europe, Africa and South East Asia (see Box 1).

1.3 Workshop objectives

The workshop aimed to provide an opportunity for organisations to share their experiences of dealing with the attribution challenge and to explore how to promote more transparency about claims to impact within the sector - not least through more consistent use of terminology. More specifically, it set out:

1. To assess the appetite for credible attribution of social impact among impact investors, and to assess how adequately it is currently being met.

2. To review how ambitious investors should be in going beyond quantitative monitoring of social change indicators by gathering evidence of the causal drivers of observed changes.

3. To assess the role that industry standards and benchmarks can play in promoting better monitoring and assessment of social impact investment. This was informed by an earlier draft of the inventory of approaches set out in Part 2 of this report.

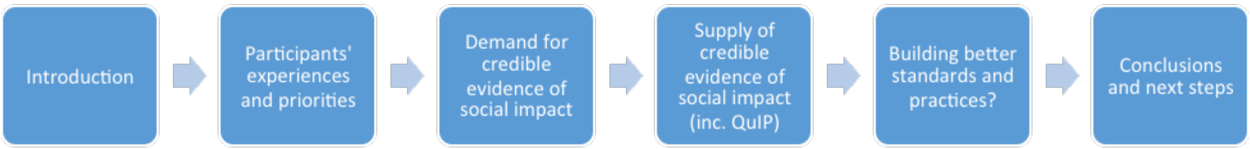
4. To assess scope for addressing the attribution challenge through methodological innovation, taking development of the Qualitative Impact Protocol (QuIP) as an example.

5. To identify opportunities for building social impact assessment demand and supply capacity.

1 See ODI's 'Evaluability Assessment for Impact Evaluation' for more guidance on 'credible' evaluation design: https://www.odi.org/publications/9442-evaluability-assessment-impact-evaluation
2 See go.bath.ac.uk/art

1.4 Workshop structure

The workshop was structured as follows:



Following an opening session of introductions, the workshop moved on to panel-led discussions where participants first reflected on how demand and supply of credible impact evidence has evolved in the field of financial inclusion and other fields of impact investment. The team from CDS then shared their experience of developing and testing the QuIP in Ethiopia and Malawi, leading to further discussion of other examples of experimentation and innovation in the sector. Participants then split into three parallel working group sessions focusing on i) needs and demands within the impact investing sector as a whole, ii) the reality of application at an organisational level, ii) the QuIP's suitability for the impact investing sector's needs. On the second day, these groups reported back on their discussions, leading to a final synthesis and follow-up session.

Part 1 of this report is structured around the core objectives that shaped the workshop: demand for credible evidence; supply of methodologies for making credible causal claims; and prospects for addressing the attribution challenge in innovative ways. Part 2 provides an inventory of frameworks, standards, platforms, guidelines, approaches and tools for social assessment of impact investments.

Box 1: Workshop participants

Tom Adams: Director of Impact, Acumen.

Caroline Ashley: Results Director, DFID Impact Programme; Director, Ashley Insight.

Ewa Bańkowska: Social Performance Programme Manager, The Microfinance Centre, Warsaw.

Chris Barnett: Director of the Centre for Development Impact (CDI), Brighton.

James Copestake, Professor of International Development, University of Bath (and Director Bath SDR Ltd).

Danielle Dunne: Evaluation Advisor, Department for International Development.

Ximena Escobar de Nogales: Head of Social Performance & Impact Management, Bamboo Finance.

Sarah Forster: Founder & Chief Executive, The Good Economy Partnership.

Eleanor Harrison: Chief Executive, GlobalGiving UK.

Susan Johnson: Director, Centre for Development Studies, University of Bath (and Director Bath SDR Ltd).

Eunice Khaguli: Senior Program Manager, IPE Global Private Limited, Nairobi.

Max Nino-Zarazua: Research Officer, CDS, University of Bath.

Everett Peachey: Research Coordinator, Aga Khan Development Network, Geneva.

Fiona Remnant: Research Officer, CDS, University of Bath (and Director Bath SDR Ltd).

Joe Shamash: Monitoring & Evaluation Consultant, Director SPAN Development.

Morten Siersted, Chief Executive, F1F9 Ltd.

Anton Simanowitz: Director, Social Performance Solutions.

Frances Sinha: Managing Director, EDA Rural Systems.

Lucia Spaggiari: Director, Microfinanza Rating.

George Williams: Business & Training Consultant, Traidcraft.

2. Evolution in demand for credible social impact evidence

2.1 Microfinance

Our discussion started with microfinance institutions not least because of their early importance as recipients of impact investment, inspired by the pioneering examples of Grameen Bank in Bangladesh, Banco Sol in Bolivia and others. This discussion was in the context of suggestions from leading industry commentators that impact investment might be repeating microfinance's own history in failing to get to grips with the impact assessment issue.

Microfinance was instrumental in promoting interest in how to reduce poverty and empower women through investment based largely on business principles. Financial liberalisation and the broader ideological turn towards market-led development strategies additionally favoured its growth. As it matured into a broader movement to promote financial inclusion, so its growth was fostered by a sympathetic press and by its fit with a neo-liberal vision of promoting development through entrepreneurship and self-improvement. The case for independent social impact assessment was also challenged during this period both by scepticism about its feasibility and by the widely held view that if customers came back for more loans and other services then that in itself was sufficient evidence of positive impact.

This contributed to an initial lag in investment in more systematic impact assessment, but various different initiatives were eventually developed, USAID's AIMS project in the early 1990s (Assessing Impact of Microenterprise Services) being a leading example. Impact assessment (IA) studies were initially delivered by external researchers using large surveys and quantitative analysis, commissioned primarily by and for official donors rather than private investors or microfinance institutions themselves. Innovation in IA then moved towards improving financial products and operational processes, including through the Ford Foundation funded Imp-Act action-research programme between 1999 and 2005. It was at this time that the idea of developing concepts, tools and practices for assessing and managing social performance alongside financial performance emerged, championed by the Social Performance Task Force (SPTF). But as the scale of microfinance grew, so it opened up space for even larger investments in IA, particularly in the form of randomised control trials instigated by the randomista movement led by Innovations for Poverty Action (IPA), the Jameel Latif funded Poverty Action Lab (J-PAL) and the Financial Access Initiative.

Over the last ten years, confidence in the social impact of microcredit has significantly eroded. This partly reflects the failure of diverse efforts to generate sufficient evidence of social impact. The balance of academic evidence also pointed towards microfinance having more diverse and modest effects: more likely affecting household level consumption smoothing than triggering transformational behavioural or income gains, for example. This empirical evidence was not sufficient, however, to prevent bubbles of over-exuberant investment and crises of household level over-indebtedness in several markets (e.g. Bolivia, Bosnia and Andhra Pradesh), nor what was widely viewed as excessive profit taking (e.g. through the Compartamos initial public offering in Mexico in 2007). All these factors have contributed towards a different agenda of more diversified investment in financial inclusion, and increased demand for evidence about which activities are achieving most and why. Some progress has been made in generating more diverse and methodologically plural evidence of investments in financial inclusion.

Several workshop participants expressed concern that impact assessment in the financial sector may stagnate relative to other target sectors for impact investment, including health, education and housing. The participatory approach to creating universal standards for social performance management facilitated by the SPTF has built consensus over outreach/results indicators, customer orientation and issues for process evaluation, but it has made less headway on impact and the attribution challenge. Even use of the term remains inconsistent and unclear. Providers of microfinance services generally favour simple and affordable methods for tracking outcomes at the client level even if they fall short of attributing change with the rigour external stakeholders may be looking for. Investors (or asset owners) want to make a difference, and are becoming more sophisticated and demanding about evidence of social impact. This is putting pressure on their asset managers to come up with workable solutions that can be applied consistently across investment portfolios. This is a challenge that more academic impact research also struggles with: how to generalise impact assessment beyond case studies that are unavoidably arbitrary across both operating context and the range of technologies, products and 'treatments' that could be assessed.

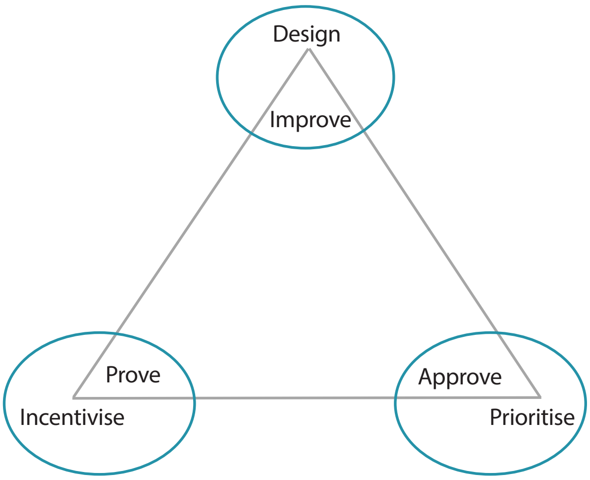
2.2 Other sectors

Investing in microfinance to reduce social exclusion from financial services can be viewed as seeking to correct a clear market failure, and hence consistent with a capitalist ethos. In contrast, impact investment across other sectors - in high as well as low and middle income countries – can also reflect an aspiration to reform capitalism more fundamentally. The immediate problem with this is that scope for driving change as a lone investor or business is powerfully constrained by the need to remain competitive with those who retain a more ruthless commercial focus. For those engaged in a business start-up, for example, social impact assessment is a far lower priority than proving and improving the business model, expanding the customer base and controlling costs. Only after several years is the need for more systematic investment in social impact likely to rise up the agenda, and then only to the extent that a company can carve out more strategic freedom or has built a reputation that needs defending.

The idea of social performance assessment and management within large and established companies is highly dependent upon the values and attitudes of shareholders and senior executives. Resistance to it may reflect unfamiliarity, but also wariness of any loss of focus on business priorities. Both can be addressed by emphasising the extent to which social impact assessment makes good business sense and can be viewed through standard lenses of risk management, market research and product/process development.

If it cannot be construed as cost-effective for their investees, then the burden falls on social impact investors to take on the extra costs involved in impact assessment themselves. For many this responsibility follows directly from the values and goals of asset owners, and is analogous to the public accountability needs of traditional aid donors. However, we noted that this 'prove-approve' accountability role is only one of three distinct purposes of social impact assessment for investors. A second is the learning goal to improve innovation in products, services, processes and management. , a goal shared with investees. A third (neglected) goal is to aid prioritisation and selection of portfolio investments as the following figure illustrates.

Three purposes of impact assessment for impact investors:



Adapted from Caroline Ashley

Distinguishing between these purposes is important because it influences the form that impact assessment needs to take. For example, evidence to inform design improvements needs to be credible only for those directly involved in the business and can therefore build on their prior understanding of what works. It can also be tailored to address highly context-specific needs and problems, without the need to be comparable. In contrast, comparability is a key criterion for the evidence needed to inform selection of investments across a portfolio.

The need for consistency and comparability of evidence to inform portfolio choices raises the question of measurement. We noted (as was the case for microfinance) that it could be helpful to develop the analogy between financial performance and social performance assessment. This fits with the widely held view that we tend to value what we measure and so should measure what we value. Digital technology and advances in data science also broaden the scope for collecting and interpreting larger and more complex sets of indicators. However, it is important to recognise the dangers of overzealous quantification, including assuming that the many and diverse dimensions of social impact can be readily converted into standard metrics and handled in the same way as financial data: a point illustrated by the failure of attempts to establish standard measures of the social return on investment (SROI).

Giving too much weight to indicators that are poor proxies for the underlying concept can also distort incentives, particularly if performance is linked to achievement of quantified goals. This is also referred to as the multi-task problem: the main danger being that effort is wrongly allocated to the activity most easily measured even if it is not the most important. Payment by results (and the associated interest in social impact bonds) are leading test cases for whether these problems can be overcome. Measuring desired outcomes may be possible (e.g. reduced reoffending rates after prisoner releases) but the attribution problem remains: how credibly can changes in such indicators be attributed to different actors and activities? In the field of business development, as in development practice more widely, the challenge for performance evaluation is to promote rather than constrain flexible adaptation or pivoting to social needs and shifting market preferences. Here again we noted the need to adapt social impact assessment to purpose, recognising the tension between assessment aiming to inform organisational improvement and assessment aiming principally to account for impact to socially concerned shareholders.

3. Innovation in the supply of credible social impact evidence

3.1 Case study: The QuIP

Turning from the demand for evidence of social impact to innovation in how to supply such evidence, the workshop focused on the case study of the Qualitative Impact Protocol - QuIP. The discussion covered both its potential relevance to the impact investment sector (taking into account the range of other methods available, as set out in Part 2 of this report) and the <u>process</u> of innovation in impact evaluation methodology and practice.

The QuIP was developed by CDS staff during the course of a three year action research project called Assessing Rural Transformations, or the ART Project. It was a response to the challenge facing NGOs working in complex rural contexts to join the dots between their activities and their effect on intended beneficiaries, aiming to offer them an independent reality check into whether they were having the impact they intended and what other factors were influencing change on the ground. More specifically, the project aimed to develop a method appropriate to relatively small activities in complex and rapidly changing environments as an alternative to larger, more expensive and inflexible impact assessment methods. Hence its aims echoed those of the 2013 'Stern' Report commissioned by DFID into "broadening the range of impact evaluation methodologies", including its recommendation to make more use of qualitative s methods such as contribution analysis and process tracing. The project also responded to debate over how to promote more flexible development strategies, including support for "Problem Driven Iterative Adaptation" (PDIA) and the shift to a portfolio approach with explicit risk-return positioning and stronger learning loops.

The QuIP has been developed both to test theories of change behind specific investments, and at the same time to explore other possible drivers of change, and to do so in a way that complements quantitative monitoring of changes in key indicators. It is designed to elicit evidence of causal change in the form of narrative statements collected from intended project beneficiaries without the need to interview a control group. While quantitative methods generally rely on statistical comparisons to infer impact, the QuIP bases claims of credible attribution on respondents' own reported experiences. In order to mitigate the potential for pro-project and confirmation bias, the QUIP 'blinds' field researchers so that they are as far as possible unaware of the activity being evaluated. See Box 2 for more.

During the ART Project the QuIP was tested by two NGOs on four rural development projects in Malawi and Ethiopia. Further work is now being undertaken to explore its potential relevance to other organisations and in other contexts, and scope for further refinement and adaptation.

Box 2. Ten characteristics of the QuIP

1. Blinding of the field researchers. In order to reduce confirmation bias as far as is possible, researchers are recruited to undertake the study with full details of the research and the protocol, but with no information about the project or NGOs being evaluated - the first distinct key features of the QUIP.

2. Purposive then random household sampling based on quantitative project monitoring. The QUIP can be conducted alongside a rigorous quantitative monitoring systems. It uses a sub-sample of the monitoring sample in order to be able to triangulate and verify the data collected against detailed household variables such as income, consumption and expenditure levels. Sample stratification is recommended if the project expects causal processes to be different for different sub-groups.

3. Field researchers collect data through semi-structured household interviews (an average sample size of 24) plus focus group discussions (usually 4 split by gender and age).

4. Data collection instruments structured by wellbeing domain, with alternating structure of open-ended, general questions about change over a set period of time, followed by closed questions.

5. Data entry using pre-formatted Excel sheets to facilitate coding and analysis– the second distinct key features of the QUIP.

6. Systematic coding of impact evidence as explicit, implicit or incidental, positive or negative reference to project interventions, or non-project related drivers of change.

7. The data is also 'tagged' with a description of the driver of change, looking for the root cause

8. Rapid semi-automated report generation to speed analysis. The bespoke spreadsheet produces tables which make up the basis of a simple report analysing the findings.

9. Easy to drill down from summary evidence to raw data for auditing and learning purposes. Report tables provide transparency of data, avoiding the ubiquitous 'black box' of data in qualitative studies.

10. The report provides a starting point for project level debriefing and dialogue between project staff and researchers.

Reflecting more widely on impact evaluation in the field of international development, the rise in use of RCTs has been a major driver of recent innovation, with the most interesting efforts now focused not on promoting or contesting RCTs and alternatives but reflecting on their relative strengths and weaknesses for different purposes and contexts, and ensuring that projects undergo some sort of evaluability test before an assessment is designed. Important issues that this has highlighted include:

(a) identifying the types of evidence that can most readily be corroborated and transferred to other contexts;

(b) exploring how different methods can best be used together to complement each other – e.g. in combining breadth with depth;

(c) ensuring management is responsive to findings;

(d) linking findings to strategic choices – e.g. prioritizing investment options.

There was agreement that a useful question to ask when assessing the value of any approach to impact assessment is whether it is capable of generating sufficiently credible negative findings to justify closing down or radically changing an activity. Progress can also be made by relaxing the assumption that impact evaluation only happens after an activity is over and as an afterthought to it.

3.2 Wider reflections on experimentation and innovation

The need to find ways to render impact evaluation meaningful applies not only to users but also to respondents and to intended beneficiaries, a point strongly reasserted by Lesley Groves' recent report on "beneficiary feedback in evaluation." This is a particular challenge for QuIP to the extent that the principle of blinding limits the two way exchange of information field researchers can offer respondents, thus placing a greater responsibility on ensuring data is used as effectively as possible once collected.

This also raises the question of whether there are ways to gather reliable and relevant information faster. Mining existing data is one alternative along with a shift from time-bound data collection to one that is more closely integrated into day-to-day operations (e.g. PRISM in India have been a pioneer in this area). A potential advantage is that reliance on data collected without specific hypotheses in mind can also mitigate problems of confirmation bias. Online resources can be used to build feedback loops, connecting institutions with their clients in ways that also enable the client to see directly how data is used. This line of thinking opens up alternatives to applied research methods such as RCTs and the QuIP, but could also complement them: ongoing data tracking providing the context and prompt for more intensive 'deep dive' studies to address more specific questions.

Focusing more specifically on impact investors it was noted that the vast majority do not collect data beyond that obtained from their borrowers. There are a range of reasons for this, including problems of language. For example the term "monitoring" tends to imply checking up on someone, rather than gathering data for learning. Cost is also an issue with many methods being too complex and expensive to make routine or even to repeat once. Acumen has taken on this challenge of simplifying data collection, adopting an experimental approach to improving learning from customers and markets. Examples include:

- introduction of lean data surveys to collect quick and basic data from customers;

- following up more deeply, depending on responses to an initial survey;

- use of interactive approaches to keep building data, rather than trying to collect everything at once;

- remote surveying using SMS technology or call centres - quick and cheap;

- driving down costs to make studies repeatable and scalable.

In the field of microfinance, routine collection of data from clients is relatively common, providing a platform that could be built upon to add questions relating to impact. Many practitioners already recognise that adding narrative impact data from clients to existing performance assessment systems would add value to findings. This does not mean that such data should be collected by staff; its credibility is generally enhanced when interviewers are not direct employees. It is also more reliable when based on interviews in clients' place of work so that interviewers can combine discussion with observation – e.g. of business assets and scale of operation.

3.3 Conclusions and action points

Three working groups took these discussions further by focusing on:

A. Appropriateness of the QuIP methodology to the impact investing sphere;

B. Organisational level issues with the implementation of impact assessment;

C. Sectoral level issues with the institutionalisation of impact assessment.

Group A affirmed small but growing demand for credible evidence of impact from asset owners in the impact investing field, putting pressure on asset managers to respond. However, it observed that understanding of what this entails and a willingness to invest in collecting credible evidence remains weak. In addition to publicising the QuIP as it stands, it was suggested that it could be reengineered to accommodate larger samples by conducting interviews over the telephone, thereby also making it more affordable. This potential development of the QuIP in a different form will be explored through an action research project with Acumen.

The potential value of establishing QuIP as a recognised standard or benchmark was recognised, as was the need to establish and enforce quality standards to give the approach credibility. However, the group also recognised the challenge of balancing 'certification' with enough flexibility to allow permit experimentation and iteration of the QuIP to suit different user needs and operating environments.

Group B, stepped back from the question of how impact can be assessed to focus on how impact goals are agreed and embedded as part of an organisation's culture, rather than added as an afterthought. If members of an organisation have only a loose concept of impact and a weak theory of how they are realising intended changes, then both commitment to finding out about impact and to learning from findings will be weaker. In other words, a first and crucial step towards social impact is for an organisation to establish a simple and transparent understanding of what its impact should be. This is a key issue that the Social Performance Task Force has sought to address for microfinance. Those engaged in impact investment more widely, it was suggested, may need to dedicate more time and effort to thinking about social goals, theories of change and impact pathways, as a necessary precondition for meaningful social impact measurement and management.

Group C similarly concluded that while the impact investment industry may be interested in credible evidence, action is held back by the tendency to leap into discussion of metrics before thinking through what type of data is needed and why. Progress is being made among impact investors to create and monitor institutional standards and client-level indicators. But this falls short of confronting issues of causation, attribution and contribution. The danger is either to use simple but inadequate tools that fail to live up to the claims made of them, or to embrace an approach that is methodologically so sophisticated and expensive that it cannot be effectively institutionalised. While the QuIP may not suit all needs and purposes, it is an interesting case of a more qualitative approach that can potentially avoid both traps. However, the attribution challenge cannot be solved through impact evaluation tools and techniques alone: the sector also needs to expand the pool of professionals with the necessary understanding and skills to apply them. There is a 'chicken-and-egg' aspect to this: supply will in time respond to increased demand, but in order for demand to rise there needs to be an increase in understanding and awareness within the sector – which in turn depends on the supply of better examples of social impact evidence.

Mechanisms and prospects for raising the quality and flow of social impact evidence for investors were further discussed in the final session of the workshop. Public sector leadership, peer network activities and competitive market processes can all contribute. With respect to the first, we noted significant public investments are being made to strengthen impact evaluation – e.g. through DCED, GIIN, 3ie, and DFID's new commitment to establishing a Centre of Excellence in Development Impact and Learning (CEDIL). Part 2 of this report, provides comprises an inventory of outputs from this investment, and reflects the wide range of guidelines and standards that have been generated. But new norms for the sector will ultimately become established only if they add value to the current practices of potential users, which means fitting in with diverse specialisations, missions, investment practices and ways of thinking.

For this reason there is a case for giving less weight to elaborating general standards and investing more in clearly branded and quality assured tools that investors can choose between and adapt. The QuIP was discussed as an example of this approach, not as a model that will suit all investors, but as a template or artefact through which more generic approaches (in this case process tracing and contribution analysis) become better understood and perceived to be useful. Leading brands are defined not only by market share but also by how widely they are recognised and closely understood, sometimes serving as a reference or a benchmark to clarify choices.

Part 2: An inventory of approaches for social assessment of impact investments

FRAMEWORKS, STANDARDS, PLATFORMS, GUIDELINES, APPROACHES AND TOOLS

Introduction

This second part of the report presents an inventory of widely cited approaches to measuring, assessing and reporting outputs, outcomes and impact in the social impact investing sector. There is no clear consensus about how best to assess impact investments, and strong grounds for preferring plurality and debate over misplaced standardisation. However, as the impact investing industry grows, so demand for better evidence of its effects can be expected to grow, and with it the potential pay-off of achieving more clarity and consistency over the range of guidelines, frameworks, tools, metrics, platforms, standards and ratings available.

In addition to contributing to awareness of different methods, this survey is intended to contribute to consistency in the language used to describe different approaches, understanding of how they differ, and clarity in choosing between them for different purposes. Use of the term 'impact assessment' is itself very variable. At its most broad it includes methods for measuring and/or assessing drivers of change in selected outcomes and indicators of these outcomes. In this broad sense it overlaps with the concepts of evaluation and performance assessment, and links with questions about the relevance, sufficiency, value-for-money and sustainability of selected activities. More narrowly the term impact assessment is restricted to the question how outcomes have changed as a result of an intervention, relative to what would have occurred without the intervention. This question can be broken down into contribution or attribution analysis, and ultimately how far impact can usefully be valued, compared with costs (including opportunity costs), and assessed against alternative strategies for achieving the same impact. This survey adopts the broader definition, but also specifies how particular guidelines and approaches adopt a narrower position. It starts with broad methodological guidelines, then turns to specific tools and frameworks, then data platforms and metrics, finishing with standards, certification and rating approaches.

	Organisational data				
Approaches/frameworks	**Organisational orientation / performance**	**Social responsibility / customer protection**	**Environmental responsibility**	**Cost effectiveness**	**Outputs – supply data**
QuIP					
USSPM	√	√			
Social rating	√	√			
PPI certification					
Truelift assessment	√				
Client protection		√			
IRIS	√		√		√
B-Analytics	√		√		
SROI				√	√
EVPA	√	√			√
GECES Sub-group	√	√			√
SIITF	√	√			√
DCED Standard	√				√
Learning Driven Assessment	√			√	√
NPC's four pillar approach	√			√	√
B Impact Assessment	√	√	√		
GRI	√	√	√		√
BACO	√			√	√
MixMarket	√				√
Sinzer	√			√	√
SPI4 audit	√	√			
GIIRS	√	√	√		√
Lead Data Field Guide	√				√
UN – PRI	√	√			
Product Social Impact Assessment	√	√			
Goldilocks Toolkit					

	Client level / community data			
Approaches/frameworks	**Outreach / access**	**Feedback on services**	**Outcomes / change**	**Impact (contribution / attribution)**
QuIP		√	√	√
USSPM				
Social rating	√	√	Maybe	
PPI certification	√		Maybe	
Truelift assessment	√	√		
Client protection				
IRIS				
B-Analytics				
SROI				
EVPA			√	√
GECES Sub-group			√	√
SIITF			Maybe	
DCED Standard			√	√
Learning Driven Assessment				
NPC's four pillar approach		√	Maybe	
B Impact Assessment		√		
GRI			Maybe	
BACO				
MixMarket	√			
Sinzer		√	Maybe	
SPI4 audit		√		
GIIRS	√			
Lead Data Field Guide		√		
UN – PRI				
Product Social Impact Assessment	√	√		
Goldilocks Toolkit	√	√	√	Maybe

Methodologies & guidelines

The methodologies and guidelines for impact investors and impact-driven organisations presented below coincide with the view that impact measurement goes beyond the actual value, number or indicator that is obtained during the impact measurement exercise. It essentially is an integral part of the entire investment and intervention process providing a deeper understanding of how impact has been achieved (Hehenberger et al, 2015). So, impact measurement should be set at the process level to allow learning and accountability as part of the organisation's DNA, and not at the indicator level (Olsen & Galimidi, 2008a).

Methodologies & guidelines	Institution	Description & Key features
A Practical Guide to Measuring and Managing Impact (2015)	European Venture Philanthropy Association (EVPA)	EVPA's Practical Guide is the result of an Expert Group of 27 impact assessment experts who in 2011 started a meta-analysis of almost 1,000 different approaches. The Group translated best practice in impact measurement into five steps with practical tips and recommendations on how to implement impact measurement. The five steps are: 1. Setting objectives 2. Analysing stakeholders 3. Measuring results 4. Verifying & valuing impact 5. Monitoring & reporting EVPA's Practical Guide provides a detailed process to measure impact including tips and definitions with a clear distinction between outputs, outcomes and impact within the impact measurement process. Nevertheless, the authors acknowledge that 'many challenges remain for both funders and investees who still consider impact measurement a complex and technical practice' (Henberger et al, 2015:8). EVPA´s work has been referenced in different European working groups such as the European Commission's Standard on impact measurement, the Group of Experts of the Commission on Social Enterprise (GECES) and the Working Group on Impact Measurement (WGIM) of the Social Impact Investment Taskforce by the G8. Available from: http://evpa.eu.com/downloads/start/?pdf=2015/06/ONLINE-%E2%80%93-IM-Guide-EN-%E2%80%93-03.06.pdf

Methodologies & guidelines	Institution	Description & Key features
Proposed Approaches to Social Impact Measurement (2014)	GECES Sub-group on Impact Measurement. European Commission	Following EVPA's work, in October 2012, the European Commission's Standard on impact measurement set up a Social Impact Measurement expert sub-group GECES (Groupe d'Experts de la Commission sur l'Entrepreneuriat Social) in order to advise on a European methodology which could be applied across the European social entrepreneurship sector. The aim of this guide is twofold: first, a tool for social fund managers to make better decisions on their investments. Second, to help investors and grant givers to monitor the social performance of their investments. The guidelines borrow EVPA's five steps to set up the impact measurement process: 1. Identify objectives 2. Identify stakeholders 3. Set relevant measurement 4. Measure, validate and value 5. Report, learn and improve The methodology is set up at the process level to identify and explain the effects of activities and interventions (outcomes and impacts) on the beneficiaries. It provides the means to explain causal contribution to the outcome given a theory of change or any third parties contributing to the outcomes. The GECES sub-group recommends the use of a set of impact indicators as well as qualitative methods to explain aspects that '[quantitative indicators] often fail to capture' (Clifford et al, 2014:6). Available from: http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7735&type=2&furtherPubs=yes
Measuring Impact. Subject paper of the Impact Measurement Working Group (2014)	Social Impact Investment Taskforce, by G8.	A further initiative in Europe to put impact measurement in the centre of the impact investing industry came from the Social Impact Investment Taskforce established under the UK's presidency of the G8 (Taskforce). The Taskforce set up the Working Group on Impact Measurement (Working Group). The Working Group Guidelines outline seven widely-recognised, concrete steps and considerations that impact investors (governments, foundations, corporates and individuals) should follow immediately in parallel with traditional investment management processes. The seven steps build on the EVPA's 5-steps guidelines: 1. Set goals 2. Develop framework & select metrics 3. Collect & store data 4. Validate data 5. Analyse data 6. Report data 7. Make data-driven investment The guidelines suggest a process to achieve a long-term impact measurement convention referred to as "'a standardised impact measurement and reporting system that enhances the availability of material, reliable, comparable, 'additional' and universal impact data'" (SIITF, 2014a:3). The Working Group Guidelines are designed for investors; however, they are equally valuable for those investees who need to 'manage performance, learn, improve outcomes and hold themselves accountable to those they aim to serve' (SIITF, 2014a:1-4). Available from: http://www.socialimpactinvestment.org/reports/Measuring%20Impact%20WG%20paper%20FINAL.pdf

Methodologies & guidelines	Institution	Description & Key features
The DCED Standard for Results Measurement	The Donor Committee for Enterprise Development (DCED)	The DCED Standard for Results Measurement is a framework for a monitoring system that helps programme managers working in complex markets to better measure changes, manage implementation, and demonstrate results in terms of outcomes and impacts, rather than just outputs (Kessler & Tanburn, 2014). It was developed in 2008 with elements now accepted as 'good practice'. The DCED Standard consists of eight elements for a successful monitoring system. 1. Articulating the Results Chain 2. Defining Indicators of Change 3. Measuring Changes in Indicators 4. Estimating Attributable Changes 5. Capturing Wider Change in the System or Market 6. Tracking Programme Costs 7. Reporting Results 8. Managing the System for Results Measurement Element number four provides a set of guidelines to understand attribution at each step of the results chain and suggests the best practices (quantitative & qualitative) to estimate it (Sen, 2013). Credibility of results can be enhanced through an optional external audit of the measurement process used by the programme. This service can also be provided by the DCED. Information available from: http://www.enterprise-development.org/page/download?id=2012
Product Social Impact Assessment	Roundtable for Social Product Metrics	Product Social Impact Assessment is a methodology which aims to enable organisations to be more transparent about the social impacts of their products and services. Product Social Impact Assessment is designed to address three main objectives: 1. Make positive and negative impacts of products measurable and visible. 2. Support decision-making and communication at product level. 3. Contribute to overall sustainability assessment. Available from: http://product-social-impact-assessment.com/wp-content/uploads/2014/08/Handbook-for-Product-Social-Impact-Assessment.pdf
Learning Driven Assessment	McKinsey & Company	The Learning Driven Assessment (LDA) is a framework to help programme managers to understand, organise and assess the impact of a programme portfolio. It consists of three steps: 1. Clarify program objective. 2. Customize learning questions and develop metrics. 3. Weigh assessment options and finalize assessment plan. Each step of the LDA builds on information and analysis to design questions and metrics that will be used to evaluate each programme (McKinsey & Company, 2014). The LDA provides a set of matrices with generalised questions and stages of the programme interventions that allow programme managers to understand the plan being assessed. Available from: http://mckinseyonsociety.com/downloads/tools/LSI/LSI-overview-feb2014.pdf

Methodologies & guidelines	Institution	Description & Key features
NPC's four pillar approach	New Philanthropy Capital (NPC)	NPC's four pillar approach is a process for charities and funders to build an effective measurement framework to understand what they want to achieve and then how to measure the change they make (Kazimirski and Pritchard, 2014).It aims to provide results that can be used to understand and improve their services, as well as report on their progress. It consists of four steps: 1. Mapping the theory of change 2. Prioritising what is measured 3. Choosing level of evidence 4. Selecting sources and tools Even though the guide has been developed for charities and funders, it can be applied across organisations or even programmes. Available from: http://www.thinknpc.org/publications/npcs-four-pillar-approach/
The Good Analyst. Methodology for Impact Analysis and Assessment (MIAA)	Investing for Good	The Methodology for Impact Analysis and Assessment (MIAA) is a book dedicated to analysing best practice in social impact assessment. It emphasises the importance of finding a balance between money, impact, and society (Hornsby, 2012). Available from: http://www.investingforgood.co.uk/#!the-good-analyst/cjbb
The Good Investor	Investing for Good	The Good Investor is a guide structured as an investment process to help impact investors to make rational and well-informed decisions on investments into companies, organisations, and funds with the intention to generate measurable social and environmental impact alongside a financial return (Hornsby and Blumberg , 2013). The essential stages of the investment process are set out in the guidelines as follows: 1. Planning 2. Screening and Mapping 3. Analysis 4. Investment Decision and Deal-Making 5. Monitoring and Evaluation 6. Reporting Available from: http://www.investingforgood.co.uk/#!the-good-investor/ccsz

Tools & frameworks

The tools and frameworks listed below refer to impact measurement as a unit of comparison against other programmes, investment portfolios or best practices. So, benchmarking and comparability become important features of these approaches.

Tools & frameworks	Institution	Description & Key features
A guide to Social Return on Investment (SROI)	Social Value	SROI is a framework for measuring and accounting for the social, economic and environmental costs and benefits that result from interventions, recognising that such costs and benefits are context specific. It measures change in monetary values, so it gives relevance to the people or organisations that experience or contribute to it. This enables a ratio of benefits to costs to be calculated. For example, 'a ratio of 3:1 indicates that an investment of £1 delivers £3 of social value' (Nicholls et al, 2012:8). SROI can be used by different organisations from not-for-profit to private companies and impact investors. SROI was developed from social accounting and cost-benefit analysis and is based on 7 principles: 1. Involve stakeholders. 2. Understand what changes. 3. Value the things that matter. 4. Only include what is material. 5. Do not over-claim. 6. Be transparent. 7. Verify the result. Available from: http://socialvalueuk.org/what-is-sroi/the-sroi-guide
B Impact Assessment	B Lab	It allows assessment and benchmark of how a company performs against best practices on employee, community, and environmental impact. B impact assessment provides: 1. Credible, comprehensive, transparent, and independent standards of social and environmental performance that allow businesses to assess their overall impact. 2. Publicly available benchmarks on corporate impact that allow businesses to compare their impact. 3. Practical, easy to use tools to help businesses improve their impact over time. Available from: http://bimpactassessment.net/

Tools & frameworks	Institution	Description & Key features
G4 Sustainability Reporting Guidelines	Global Reporting Initiative (GRI)	GRI is an international independent organisation that helps businesses, governments and other organisations understand and communicate the impact of business on three main categories: economic, environmental and social. The GRI Sustainability Reporting Guidelines offer a method to assess the sustainability of an organisation's activities, performance and impacts. This method can be applied to any type of organisation of any size. Available from: https://www.globalreporting.org/resourcelibrary/GRIG4-Part1-Reporting-Principles-and-Standard-Disclosures.pdf
Best Available Charitable Option (BACO)	Acumen Fund	BACO is a measure of outputs, it is a tool that quantifies a potential investment's social output and compares it to the universe of existing charitable options for that explicit social issue. It helps investors to know where their philanthropic capital will be most effective—answering the question "For each dollar invested, how much social output will this generate over the life of the investment relative to the best available charitable option?" (Acumen Fund, 2007:2). The BACO calculation is driven by three factors: financial leverage, enterprise efficiencies, and technology leverage. Available from: http://acumen.org/wp-content/uploads/2013/03/BACO-Concept-Paper-final.pdf
Outcome indicators universal menu and outcome measurement guidelines for financial institutions and for investors	Social Performance Task Force	The Social Performance Task force has created an Outcome working group that will produce three results by the end of 2016: 1. A menu of universally recognized and cost effective social outcome indicators (to help harmonization of definitions) from which organizations can select the ones most appropriate to their theory of change; 2. A document of guidelines for financial institutions to improve the measurement of social outcomes; 3. A document of guidelines for investors to improve the measurement of social outcomes. Working briefs and webinars of the SPTF Outcomes Working Group are available at http://sptf.info/working-groups/outcomes The OWG welcomes contributions and feedback.
Goldilocks Toolkit	Innovations for Poverty Action	The Goldilocks Toolkit is a resource to help organisations to identify the right time to engage in impact evaluation, and build systems that provide information that supports learning and accountability. The Goldilocks Toolkit is based on a set of principles called the CART (Credible, Actionable, Responsible and Transportable). Available from: http://www.poverty-action.org/goldilocks/toolkit
The Lean Data Filed Guide	Acumen	Lean Data is a practical and action oriented approach to impact measurement that involves two main elements: 1. A shift in mindset away from reporting and compliance and toward creating value for a company and its customers. 2. The use of methods and technologies for data collection that emphasize efficiency and rapid response while still achieving a sufficient degree of rigour. Available from: http://acumen.org/wp-content/uploads/2015/11/Lean-Data-Field-Guide.pdf

Metrics & data platforms

Metrics and data platforms allow impact investors and impact-driven organisations to consult, report, analyse and compare the performance of their impact investments against other investment portfolios. Metrics are a measure of accountability and standardisation, and for some institutions metrics can provide an important source of value creation (Edens and Lall, 2014). As Bouri (2011:147) points out 'the importance of credible, standardised metrics is central to tracking [investment portfolios], benchmarking social and environmental performance increasing market intelligence, and helping to attract more impact investors to social enterprises'. We present some of the most common metrics and data platforms used in the impact investing industry.

Metric / Data Platform	Institution	Description & Key features
IRIS (Impact Reporting and Investment Standards)	GIIN (Global Impact Investing Network)	IRIS is a free, online catalogue of generally accepted metrics used to describe an organisation's social, environmental, and financial performance. According to Flynn et al (2015) IRIS is the most used metric in the impact investing sector. IRIS is not an impact measurement tool, it rather provides quantitative and qualitative metrics of financial, operational, product, sector, social and financial aspects to build or complement a performance measurement tool (IRIS, 2013). IRIS metrics tries to meet the need for transparency, credibility, and consistency in how organizations and investors define, measure, and track their performance (OECD, 2015). Because IRIS is a catalogue of metrics, it is flexible and adaptable for the needs of asset owners, asset managers, demand-side actors and service providers. Available from: https://iris.thegiin.org/guide/getting-started-guide/summary
MixMarket	Mix	MIX Market is the world's leading provider of microfinance data (Bouri, 2011). It is a public data and analysis hub where over 2 thousand microfinance institutions (MFIs) in the developing world and supporting organisations share institutional data to create transparency, accountability and market insight. It provides access to financial and social performance indicators at the output level, as well as an analysis on the risks and opportunities in the market. All this exchange of data enables impact investors, MFIs and other microfinance stakeholders to establish standards, benchmarks, and promote responsible investment in the microfinance sector. Partners' organisations include the Bill & Melinda Gates Foundation, CGAP, The MasterCard Foundation, IFAD, Michael & Susan Dell Foundation, DFID, and Citi Foundation. Available from; http://www.mixmarket.org/
B Analytics	B Lab	B-Analytics is a customizable platform for assessing, comparing, and reporting on impact with the largest dataset of private company impact data of social & environmental performance. It allows investors to track and benchmark their portfolio's impact performance against comprehensive, custom, and third-party metric sets. It is also an exclusive source of data on certified B Corporations & GIIRS rated companies and funds. Available from: http://b-analytics.net/

Metric / Data Platform	Institution	Description & Key features
PULSE - B Analytics	Acumen Fund - B Lab	PULSE is a management information system that integrates the IRIS taxonomy to help impact investors to collect, manage, and report on impact portfolio data (Flynn et al, 2015). It tracks, aggregates and benchmarks financial, operational, social and environmental performance metrics at the portfolio and sector level, allowing for meaningful comparisons of performance against a relevant peer group. It features a range of qualitative reporting to complement quantitative performance management data. PULSE was developed by Acumen Fund in 2006; however, on September, 2013, Acumen Fund and B Lab announced PULSE would be integrated into the B Analytics platform (CSR Newswire, 2013).
The Smart Campaign – B Analytics	The Smart Campaign - B Lab	The Smart Campaign is a global effort to promote client-centred products, operations and monitoring in order to improve the social and financial performance of the microfinance industry. From July 2015, the Smart Campaign's standards are available for financial institutions and impact investors within the B-Analytics platform. B-Analytics data visualization tools will enable financial institutions and investors to easily benchmark their performance and monitor progress. Available from: http://b-analytics.net/
Sinzer platform	Sinzer	Sinzer platform is a tailored-impact management software and added value services that enable private companies, social enterprises and impact investors to measure, manage and report their impact on more accessible and cost-efficient basis. Sinzer platform allows institutions to map impact objectives, collect data efficiently and analyse results to improve decision-making, impact and accountability. Available from: http://www.sinzer.org/
TRANSI (Tools and Resources for Assessing Social Impact)	Foundation Center developed in partnership with McKinsey & Co	TRASI is not a tool or metric per se, rather it is a database of over 150 tools, methods and best practices to measure the social, environmental and financial impact of programmes and investments. This database provides private companies and impact investors with a searching tool where information can be called through different sections such as type of approach, purpose, organisation, sector, focus and even level of analysis i.e. outputs, outcomes or impacts. Available from: http://trasi.foundationcenter.org/search.php

Standards & certifications

Standards and certifications provide impact-driven organisations and impact investors with best practices to achieve their financial and social objectives. In many cases, the standards are the result of a progressive contribution from different stakeholders' experiences allowing to create a generally accepted activity or process to ensure that an organisation or programme intervention is meeting minimum standards of impact.

Standard / certification	Institution	Description & Key features
The Universal Standards for Social Performance Management (Universal Standards)	The Social Performance Task Force	The Universal Standards is a manual of best practices to help financial institutions to achieve their financial and social goals. The Universal Standards cover 6 dimensions of social performance management: Dimension 1: Define and Monitor Social Goals Dimension 2: Ensure Board, Management and Employee Commitment to Social Goals Dimension 3: Design Products, Services, Delivery Models and Channels that Meet Clients' Needs and Preferences Dimension 4: Treat Clients Responsibly Dimension 5: Treat Employees Responsibly Dimension 6: Balance Financial and Social Performance. Implementing the Universal Standards involves the following 5 steps: 1. Learn 2. Assess 3. Plan 4. Implement 5. Demonstrate Available from: http://sptf.info/universal-standards-for-spm/start-here
SPI4 audit	Cerise	The SPI4 is a social performance assessment tool for microfinance institutions. An Excel questionnaire, the SPI4 helps microfinance institutions evaluate their level of implementation of the Universal Standards for Social Performance Management (see above), including the Smart Campaign Client Protection Principles. SPI4 was created by CERISE, in collaboration with the Social Performance Task Force. Available from: http://www.cerise-spi4.org
Progress out of Poverty Index (PPI) Certification	Grameen Foundation	PPI Certification indicates that an organisation employs best practices for poverty measurement employing the PPI tool. It helps organisations to achieve its social goals for poverty outreach, and poverty reduction over time, and ensures that organisations are meeting accurate and reliable standards for measurement and reporting. These standards are based on the PPI Standards of Use, which are managed by Grameen Foundation. The PPI certification reflects a Social Performance approach to measuring poverty at the household level, and to tracking changes in poverty level over time. It can be applied in any development sector and used alongside other relevant indicators to track outcomes. For impact investors, a PPI certification means that a prospective partner is focused on its mission, and a current partner is supplying reliable reports on poverty outreach and outcomes. Available from: http://www.progressoutofpoverty.org/ppi-certification

Standard / certification	Institution	Description & Key features
The Client Protection Certification	The Smart Campaign	The Client Protection Principles provide microfinance institutions (MFIs) with guides and best practices on client-led services and ethical standards. These are considered as the minimum standards that clients should receive from MFIs. The core principles are: 1. Appropriate product design and delivery 2. Prevention of over-indebtedness 3. Transparency 4. Responsible pricing 5. Fair and respectful treatment of clients 6. Privacy of client data 7. Mechanisms for complaint resolution Available from: http://www.smartcampaign.org/storage/documents/20110916_SC_Principles_Guidance_Draft_Final.pdf
Truelift assessment	MicroCredit Summit Campaign/Results	Truelift sets out to provide a trust mark – in microfinance and other forms of social business – to signify commitment to serving people in poverty. Truelift provides a practical way to define 'poor people' – as those in the bottom two quintiles of the population, and sets out indicators for the three pro-poor principles: 1 Significant outreach to poor people 2 Services appropriate to poor people 3 Credible tracking of change for poor people Truelift indicators are part of SPI-4, for reference and use by institutions who aim to work at the 'bottom of the pyramid' Available from: https://sealofexcellence.wordpress.com
Principles for Responsible Investment	United Nations	The PRI is an independent organisation that uses six principles to encourage investors to use responsible investment to enhance returns and better manage risks. PRI engages with global policy makers without any association with governments; it is supported by, but not part of, the United Nations. The six principles are: Principle 1. Investors will incorporate environmental, social and corporate governance (ESG) issues into investment analysis and decision-making processes. Principle 2. Investors will be active owners and incorporate ESG issues into their ownership policies and practices. Principle 3. Investors will seek appropriate disclosure on ESG issues by the entities in which we invest. Principle 4. Investors will promote acceptance and implementation of the Principles within the investment industry. Principle 5. Investors will work together to enhance effectiveness in implementing the Principles. Principle 6. Investors will report on their activities and progress towards implementing the Principles. Available from: https://www.unpri.org/about/the-six-principles

Ratings

Ratings allow impact-driven organisations and impact investors to measure and compare their financial and social performance against other portfolios. Ratings encourage organisations to interact in a community or network sharing and tracking information from different sectors and regions. Building an industry ecosystem with the use of ratings helps to strengthen the credibility and transparency that ultimately contribute to attract more impact investors to social enterprises.

Ratings	Institution	Description & Key features
Global Impact Investing Rating System (GIIRS)	B Lab	The Global Impact Investing Ratings System (GIIRS) is a ratings agency and analytics platform for impact investors and social enterprises that uses a common set of indicators guided by the IRIS taxonomy. GIIRS provides ratings in percentile scale (and not absolute) in four areas: community, environment, governance and workers. GIIRS ratings are referred as to the 'gold standard' for impact measurement in impact investing as it offers rigorous, comprehensive, and comparable ratings. Available from: http://b-analytics.net/giirs-ratings
Social Rating Methodology	M-CRIL, MicroFinanza Rating, Microrate	A Social Rating (SR) is an expert opinion on the social performance of a financial institution (FI), and the likelihood that it meets social goals in line with accepted social values. The tool has also been adapted to other sectors – NGOs, value chains and schools. Social performance is measured in terms of institutioinal as well as output indicators, and tracked as a proxy to social impact at the client level. The SR has been used as a complementary and comprehensive tool to assess FIs' social performance and their risk of mission drift. The opinion is based on an analysis of internal processes, documents and socio-economic and sector national/regional data. There are five areas to evaluate the intentions, implementations and results: 1. Country context 2. Social Performance Management 3. Social responsibility and Client Protection 4. Depth of outreach 5. Quality of the services 6. Outcomes (if reliable client level data available) The social rating guide developed jointly by the specialized rating agencies is available here. The detailed social rating methodologies are available from each rating agency: M-CRIL, MicroFinanza Rating, Microrate.

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