



 **FONDATION GRAMEEN**
CRÉDIT AGRICOLE 
Microfinance & Social Business

Reflections on outcome surveys initiatives

13 September 2022

A multi-stakeholder approach

- **GCAF** was created in 2008 to finance and support microfinance institutions and social enterprises through financing, TA, and fund advisory in order to contribute to the fight against poverty. 75 partners, 36 countries, €89 mln portfolio.
- GCA defined an **impact model** in 2019 and after the publication of a first impact report in 2020, committed to **collect outcome indicators** to better document its impact.
- In 2020, we partnered with **SIDI** (social business created in 1983 aimed at contributing to the building of a more inclusive economy; 118 partners, 36 countries) and **F3e**. SIDI initiated the impact survey with **SEF** in South Africa and we jointly co-financed and monitored the implementation of the survey.
- In 2021, we partnered with **60 decibel** as founding partner of its **microfinance Index**
- In 2022, we partnered with **emlyon business school** students and **CERISE** to test the **standard framework for outcome management** developed by CERISE, empf and SPTF in order to develop a standard questionnaire
- In the next slides, we reflect on the +/- of these approaches and on general lessons learned

We tested three different approaches with varying budget, durations, methodologies and objectives

Initiative	Partner(s)	Indicative Budget	Indicative Duration	Approach	Main objective
SEF impact Study	SIDI, F3E Alesopi, Reciprocity	40 K EUR, 35% by lenders, 65% by F3e	1 year (long due to Covid)	Field Quant & Qual (FG)	Test our impact models to improve interventions
60 decibel microfinance Index (6 surveys)	60 Decibel Symbiotics	6-14 K EUR per survey, co- financing varies	3 months	Desk Mostly Quant	Participate to a sector wide index and report on results
MLF Malawi pilot study	Emlyon business school students CERISE	5 K EUR (cost of travel, training & accomodation)	3 months	Field Mostly Quant	Contribute to a public good for the microfinance sector

We tested three different approaches providing different value-added

Initiative	Strengths	Areas of attention (to mitigate)	Indicative % overlap with standard framework
SEF impact Study	<ul style="list-style-type: none"> • Survey customized to impact models to MFI and lenders impact model • Detailed recommendations and action plan to improve SPM and impact 	<ul style="list-style-type: none"> • Cultural and time limitations to gather robust evidence on gender topics 	~50%
60 decibel microfinance Index	<ul style="list-style-type: none"> • Strong reporting tool, simple, visual and compared to benchmarks • Sector-wide lessons learned 	<ul style="list-style-type: none"> • Lender-driven • Limited interactions with MFIs by default 	~50%
MLF Malawi pilot study	<ul style="list-style-type: none"> • Development of a standard outcome questionnaire => contribution to a public good • Technical Assistance to a tier 3 MFI 	<ul style="list-style-type: none"> • Different expectations from stakeholders 	~80%

Reflections on the outcome data we need vs. what we are able to get

- We got relevant answers on the **type of impact that microfinance can achieve**
 - ❑ Provides more a capacity to face shocks than a substantial impact on business revenues and household improvements
 - ❑ Globally a bit more positive than impact studies as synthesized by CGAP ([2020](#))
 - ❑ Very Helpful to report to our governance and to answer to easy critics about microfinance
- This is however not sufficient
 - ❑ These surveys do provide some **warning signs** on client protection or gender-related risks
 - ❑ They cover only a small portion of our portfolio
 - ❑ They cover only a portion of our impact objectives
- This should drive us to
 - ❑ Further support client protection and gender related initiatives
 - ❑ Keep supporting new impact studies to test new approaches, cover more partners and other impact objectives (e.g. strengthening the resilience to climate change & food security)

Reflections on lack of funding as one of the bottlenecks

- Successful co-financing schemes involve a **variety of stakeholders**, for example:

Initiative	Lenders	Investees	Grant provider	Pro-bono
60 decibel microfinance Index	20 lenders and investors	Co-financing to a small extent	Yes, Tipping Point Fund on Impact Investing	
SEF impact Study	2 lenders : SIDI, FGCA	Some on-site expenses	F3e (majority of funding)	
MLF Malawi pilot study	GCA through training and supervision	Some on-site expenses		Emlyon students, CERISE

- The funding challenge was overcome for a few partners thanks to co-financing but.... **not yet solved for overall portfolio outcome monitoring**
- **For portfolio monitoring, reaching more scale** on studies such as the microfinance index could probably be a great contribution to gradually overcome the challenge
- We however still heavily depend on subsidies for deeper studies that also help improve SPM systems locally through technical assistance (especially for tier 3 and tier 2 MFIs)
- These initiatives could use different development paths but as a sector, we would benefit **collectively** if these two kind of initiatives **use a common language** for outcome management



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