SPTF Annual Meeting 2016: Plenary Day 2 Notes

Case study 1: BBVA MF Group's impact assessment, a "pull" rather than a "push" model in outcomes measurement (1 June 2016)

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Mission BBVA Microfinance Foundation:
"To promote sustainable and inclusive economic and social development for disadvantaged people through Responsible Productive Finance."

Impact assessment at BBVA MF - system:

- Created an impact assessment team to ensure the BBVA MF could measure whether it was accomplishing its mission. Its approach to impact assessment emphasizes coverage, indicators comparability, method robustness and HR/staff, which are some of steps in the seven-step framework described in the investor guidelines.
- Recognized that they already had a lot of client information, based on client data gathered by their partner financial service providers (FSPs). All BBVA FM clients are micro entrepreneurs, who are segmented according to the following categories: extreme poverty, poverty, vulnerability (83% of clients), and other.
- BBVA FM decided to consolidate all client information from each of their partner FSP at headquarters to analyze it on a central basis.
- What do they measure?
    - Consistently targeting vulnerable entrepreneurs
    - Signalling micro-entrepreneurs progress
    - Supporting client growth
- Impact Assessment & Outcomes Measurement – BBVA FM defined the following objectives for measuring outcomes: to be accurate, transparent, complete, embedded into business management accessible to all stakeholders, and financially viable.
- Every three months they analyze data, using standardized indicators, all built into the central MIS database, and report on a regular basis to senior management.

Impact assessment at BBVA MF - results:
Data analyzed from 2011-2015 showed the following:

- Consistent targeting of vulnerable clients, specifically women, in rural areas.

- Consistency in asset growth and progress in the transition from extremely poor, to poor, to vulnerable. After 2 years, 32% of clients classified as poor or extremely poor generated net margins above the poverty line of their respective countries. The commitment to consistently targeting vulnerable clients resulted in over 42,000 clients no longer being classified as poor.
- Looking beyond direct financial changes (e.g., sanitary improvements, improvements in rooms, in construction materials, etc) data shows that after 2 years, 6% of clients improved their housing conditions. In terms of health care, after 2 years, 15% of clients improved their conditions.

BBVA FM provides credit, credit and saving, and just saving. One of their questions was whether client retention changed over time depended on the type of product clients had. Pilot studies revealed that client retention was higher for clients that hold both credit and savings products.

Question and Discussion:
Q: If BBVA FM only has ~50% equity stake in the FSP, which means that organizations also have other funders, can you attribute the change in clients lives to your intervention?
A: We do not attribute the changes to our exclusive intervention.

BBVA FM also noted that its objective is to improve, not prove, outcomes.