

# ALIGNING METRICS FOR THE MANAGEMENT OF SOCIAL PERFORMANCE IN THE FINANCIAL INCLUSION SECTOR

Aligning impact measurement frameworks is a key component of alleviating the reporting burden on both investors and investee organizations. SPTF has already integrated into their Universal Standards multiple principles and indicators for measuring social performance amongst double-bottom-line financial service providers. The alignment between GIIRS and SPTF contributes towards this goal of standardization.

## ALIGNMENT BETWEEN THE SPI4 SOCIAL AUDIT TOOL & THE B IMPACT ASSESSMENT

SPTF and B Lab, the non-profit behind GIIRS and B Corp, have worked together for several years to harmonize the content of their assessment tools. For B Lab, this has included the creation of a microfinance industry addendum that is a supplement to the B Impact Assessment (BIA), the performance standard used to certify B Corps and provide GIIRS ratings. This year, both organizations made an additional effort to standardize the topics and the manner in which the BIA evaluates social performance in microfinance, and to bring it more in line with the terminology and metrics used in the SPI4, the social audit tool used to evaluate a financial service provider's level of implementation of the SPTF's Universal Standards for Social Performance Management (SPM).

To enhance the level of alignment various steps were taken:

- First, SPTF produced a mapping of how well each of the metrics in the BIA's microfinance industry addendum matched the indicators in the SPI4 social audit tool.
- This baseline mapping revealed that of the 67 indicators in the microfinance industry addendum, 88% of them matched concepts assessed by the SPI4 (this includes exact matches as well as partial matches, where the same concept is evaluated but the language used to ask about the concept differs somewhat). Within these matching indicators, 39% were related to tracking the financial performance of the investee institution, while 61% were designed to measure their social performance.
- The areas of greatest overlap across the SPTF and the BIA include financial performance indicators and those evaluating consumer protection practices. Indicators related to responsible treatment of the environment and the institution's commitment to working with the poor also provided areas of significant overlap.
- In order to enhance the level of alignment between these two tools, SPTF shared with B Lab the SPI4 ALINUS indicators, the subset of 80 indicators in the SPI4 selected by consensus among leading social investors in microfinance as those most useful to investors' social due diligence. This data informed revisions to the BIA microfinance industry addendum during the latest round of revisions to the B Impact Assessment tool, which took effect in January 2016.
- Next steps will include SPTF mapping the alignment between SPI4 indicators and the entire BIA, and sharing with B Lab the revised SPI4 ALINUS indicators in July 2016.



### ABOUT GIIRS.

GIIRS ratings are rigorous, comprehensive, and comparable ratings of a company or fund's social and environmental impact based on the B Impact Assessment. Since its launch in 2011, 86 leading impact fund managers have been GIIRS rated. Two years later, [B Analytics](#) was launched as a platform for benchmarking, measuring, and reporting on impact. B Analytics hosts this information in the world's largest database of verified impact performance data.



### ABOUT SPTF.

**The Social Performance Task Force (SPTF)** is a global membership non-profit organization working in the inclusive finance sector. Its +2,700 members from all over the world represent every stakeholder group in inclusive finance (financial service providers, investors, donors, networks/associations, support organizations, rating agencies, technical assistance providers, regulators, and academics). SPTF engages with these stakeholders to develop, disseminate, and promote standards and good practices for social performance management (SPM) and reporting. For more information and to download tools and resources such as the [Universal Standards](#) visit [www.sptf.info](http://www.sptf.info).