

IMPACT REVIEW 2019



MELBOURNE
MICROFINANCE
INITIATIVE

Melbourne Microfinance Initiative acknowledges the Australian Aboriginal and Torres Strait Islander peoples of this nation.

We acknowledge the Wurundjeri people of the Kulin nation as the Traditional Custodians of the land on which we live and work. We pay our respects to the Elders - past, present and future, and acknowledge that sovereignty was never ceded.

The 2019 Impact Review features a stellar lineup of MMI's sponsors, partners, and alumni who have graciously volunteered their time to be contributors. On behalf of MMI I would like to thank you all for your combined effort, which resulted in a fantastic Impact Review.

- Ben Griffiths, National Affairs Director 2019

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FOREWORD



Founded in 2010, the Melbourne Microfinance Initiative (MMI) is Australia's first and largest student-led microfinance organisation. Since our inception, we have evolved to create a positive impact through two main channels. First, we provide pro-bono consulting services to underserved Microfinance institutions and not-for-profits globally, with the aim of creating sustainable, direct impact on communities in need. And second, we run panels and workshops locally to inspire and empower students to develop their skills and knowledge for the betterment of society.

Over the last nine years, we have continued to strengthen our relationships both locally and abroad, establishing a particularly strong foothold in the Philippines, and growing our community at the University of Melbourne and the broader impact sector. As of October 2019, we will have completed 30 projects across 12 countries. This includes Australia, Cambodia, Ghana, Indonesia, Laos, Myanmar, Nepal, Peru, Philippines, Samoa, Timor Leste, and Vietnam.

And as we approach our tenth birthday, we have begun to reflect more deeply on who we are as an organisation, the values we stand for, and the impact we have had collectively on our community. This has led us to the theme for our second annual IMPACT Review: evaluating impact.

As you will soon learn or may already know, the business of measuring impact is both incredibly ambiguous and complex. Impact, which we at MMI define as affecting a tangible, positive change, very much varies according to the stakeholder in question and their perspective. It is crucial to be self-aware and open to acknowledging your biases when beginning the impact evaluation process. Despite well-meaning goals, ones assumptions about what creates positive change may be biased and unfounded. This can create barriers that may prevent organisations from making that crucial first step.

As an organisation, we have strived to foster a community of like minded individuals, to support these changemakers in their endeavours to make a meaningful impact. Despite our rapid growth, we feel it is vital that our community takes a step back to reflect on our impact thus far in order to consolidate our learnings and to scale our impact.

We invite you to join us and our partners as we reflect on what it means to evaluate our impact. We hope that this will precipitate excited discussions that will contribute to the progress of our rapidly growing field of social impact.

Jeanette Chan
PRESIDENT OF MMI
2019

“As we grow, we remain committed to our mission of creating value—economic, social and environmental—for all our clients, whether they operate in the private sphere or in the social sector. Not only is this the right thing to do, but it mobilizes the best gift we can give—our global talent and strategic capability—to work on and hopefully help solve some of the world’s biggest problems.”

*- Manny Maceda,
Worldwide
Managing Partner at
Bain & Company*

BAIN X MMI

EVALUATING IMPACT AT BAIN

MELBOURNE MICROFINANCE INITIATIVE

BY:

BEN GRIFFITHS
NATIONAL AFFAIRS DIRECTOR

Evaluating one’s own impact and being evaluated by external organisations creates the opportunity to further enhance wellbeing. It allows for reflection and provides feedback which can be used for future sustainable decision-making. This fosters incremental improvements and the creation of motivating benchmarks that inspire greater impact.

This is embodied by Bain’s ongoing commitment to enhancing the impact they create, which is reflected by the following comment from Manny Maceda, Worldwide Managing Partner at Bain & Company “As we grow, we remain committed to our mission of creating value—economic, social and environmental—for all our clients, whether they operate in the private sphere or in the social sector. Not only is this the right thing to do, but it mobilizes the best gift we can give—our global talent and strategic capability—to work on and hopefully help solve some of the world’s biggest problems.”

Pro-bono consulting

Perhaps the principal avenue for Bain’s impact has been their 2015 commitment to invest \$1 Billion USD in pro-bono consulting teams in 10 years. Bain is currently on track to achieve this target, having already invested \$240 million USD to date. This allows Bain to help their clients, many of whom are non-profit organisations, to achieve their goals and produce a meaningful impact. This also allows for Bain to mobilise their people and skillsets towards tackling the central social and environmental issues that require attention. The time horizon allows for deep engagement and the formation of relationships that goes beyond what a simple financial contribution would produce.

This commitment is made possible through the team at Bain, 70% of whom engage in some form of social impact work. This includes full-time cases, “Extra 10%” projects, externships, charity drives, and volunteering. In addition to this, the Australian branch engages in a community impact day, whereby the whole office gets out to various social impact partners such as OzHarvest and ABCN to create an impact in the lives of others through mentorship and workshops.

An example of this form of pro-bono consulting work is given by the Bain Australia team with support from Bridgestone New York. They worked to assist the Paul Ramsey Foundation (A large philanthropic organisation) to help develop their strategy. This also included in 2017 an investigation into a possible opportunity to address the harm related to consumption of illicit drugs. This involved extensive research in partnership with leading organisations and individuals and resulted in a behavioural segmentation and economic analysis of harm that assisted with the foundation’s work.

Environmental sustainability

Another essential facet to Bain’s impact mission is their ongoing commitment to environmental sustainability.

This is best illustrated by Bain’s success in reducing their total direct emissions by 70% since 2011 and the aim to improve this figure through a 90% reduction by 2040. Furthermore, 96% of Bain’s electricity is sourced from renewable energy. This commitment to sustainability not only has a direct impact on an individual firm’s emissions, but has a much wider effect as other firms feel pressured to follow their lead.

Among the initiatives taken on by Bain staff include the formation of office “Green Teams”. These Green Teams evaluate existing environmental practices and seek to improve them in an iterative process. This can include waste mitigation and management, improvements in efficiency, electricity usage, and conservation.

External evaluation is arguably at least as important as internal evaluation as it serves a verification function of impact claims and allows for the public, competing firms, and the broader social impact ecosystem to determine which firms are the best performers.

An example of this is that since 2012 Bain has been certified CarbonNeutral by Natural Capital Partners in accordance with the CarbonNeutral Protocol. This was awarded by an evaluation process that determined Bain has net zero emissions. This has been achieved through a combination of reducing direct emissions and offsetting the remainder, which includes business travel, waste generation, and electricity use. Another external organisation that evaluates Bain’s sustainability practices is EcoVadis. EcoVadis is a world leading producer of sustainability evaluations and scorecards. EcoVadis operates in 110 countries and works with 30,000 global partners. These scorecards allow for the determination of best practice and which firms are meeting that environmental standard. Bain have achieved a “Gold” rating in both 2018 and 2019, which is the highest rating EcoVadis awards. This places Bain in the top 5% of rated companies and independently indicates a strong commitment to environmental sustainability.



BENEFICIARY-LED EVALUATION

LESSONS FROM CAMBODIA AND FIJI

MONASH S.E.E.D.

BY:

EVANGELINE YONG
MICROFINANCE OFFICER

ASHLEY WILD
SOCIAL ENTERPRISE OFFICER

Since 2012, Monash SEED has grown into a social enterprise and microfinance club of over 600 members, coordinating international projects such as the Fiji Impact Trip. The continued success of Monash SEED, however, depends on our ability to hold well-loved projects at arm's length, to participate in the crucial process of evaluation so that we can recognise and rectify the flaws in our projects and better support beneficiaries. For a university student society, understanding and implementing youth and beneficiary-led evaluation is the key to achieving positive and sustainable social impact.

The individuals best positioned to evaluate the outcome of a project are the ones most affected. A beneficiary-led evaluation counters the power imbalance often created by external actors who undertake and evaluate projects with little local consultation. Equipping beneficiaries with the skills to lead comprehensive evaluations ultimately combats a

culture of dependency, instead fostering a sense of local ownership of the project. This in turn allows the community to tailor the program to suit their specific needs and priorities, thus increasing its sustainability and effectiveness.

So how do youth fit into this equation? Although young people make up the vast majority of the world's population and the Global South, they are underrepresented in development processes. Youth-led evaluation is a way of investing in 'current and future social change actors', reflecting the priorities, values and needs of a key stakeholder group in their community's development. In many circumstances, young people are better placed to participate in beneficiary-led evaluation. This is because they are open to being taught evaluation skills in a classroom model and to new ideas and methods of measuring impact. External actors and stakeholders still have a role in

partnership or mentoring, but the youth hold ultimate ownership and control over key decisions.

There are many lessons for Monash SEED to take from the NGO experience of beneficiary-led evaluation. Oaktree, a youth-led development organisation, is focused on young people leading, demanding, and creating a more just world, giving youth beneficiaries the opportunity to organise and lead evaluations in Oaktree's Cambodia and Timor-Leste development projects.

The organisation's Head of International Engagement, Christine Deng, shared with us her experiences of implementing beneficiary-led evaluation as well as some useful tips for student clubs like Monash SEED.

"Let go of what you want to know and create a space for [the beneficiaries] to come up and design what they want to investigate ... it's not about your



indicators of success, it's about their own indicators of success and measuring on their own terms." She also explains how teaching evaluation to Oaktree's beneficiaries requires a significant investment of time and energy. This is because it can be challenging for beneficiaries to learn key skills in evaluation and to feel comfortable taking ownership of the evaluation process. They may never have been given this type of leadership opportunity before, and it may be the opposite of what they expect from a development organisation. However, the results for Oaktree and the communities speak for themselves.

As an illustration, Oaktree was evaluating a career and guidance counselling service at three high schools in Kampong Cham, Cambodia. The student evaluators surpassed the findings of the Oaktree evaluators, leading to additional recommendations plus improvements to the students' confidence and employability. Oaktree is now in the process of

converting the entire project cycle in the organisation to be youth-led by conducting youth-led project design in Timor-leste and having young people coordinating a new project in Cambodia.

An example of evaluation within the Monash SEED context is The South Pacific Business Development Project, which is a microfinance initiative for Fijian women. The SEED team undertook an evaluation using written surveys and convenience sampling, using this methodology to identify the gaps in the project and to observe progress over time. Whilst this is a logical methodology for the aims of the evaluation, the evaluation process itself was not considered as a potential input towards women's empowerment. This is an oversight that Monash SEED, as well as many development organisations, must correct. Beneficiary-led evaluation provides another opportunity to achieve the project's goal for women's empowerment by giving them leadership experience and general evaluation

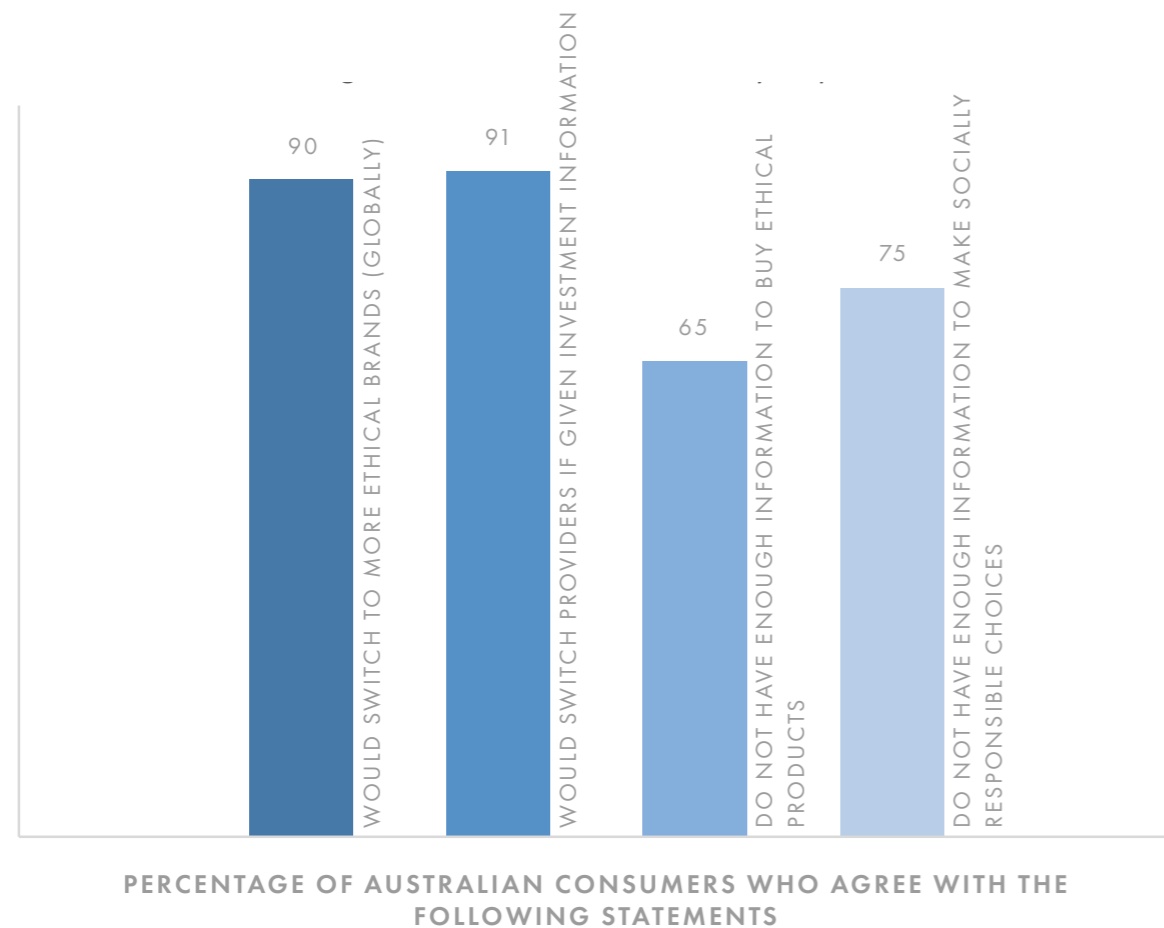
skills which, for example, can improve their ability to assess marketing opportunities and ultimately grow their businesses. Realizing the potential for evaluation as an input to achieving development is an idea that Monash SEED is exploring in order to move one step closer towards best practice.

To close with a few recommendations:

- Allocate elements of the evaluation for beneficiaries to evaluate themselves, either to compare with evaluators data on the same project output or with freedom. This allows the beneficiaries to set and measure their own indicators of success, thus gaining ownership of that part of the evaluation.
- Implement beneficiary-led evaluations in cases where the evaluators are on a similar level of power to the other beneficiaries. This can foster a greater level of trust and empathy that can lead to more practical and honest data than an external evaluation.

- When designing an evaluation, always first ask 'Who is this evaluation for?' Make an evaluation that is most appropriate and beneficial to your target beneficiaries, rather than following a particular model or methodology.
- The Department of Foreign Affairs and Trade (DFAT) should seek to implement a youth strategy into their aid program. This would help advise NGOs and student groups on ways to further recognise the valuable contributions that young people bring to development.

Thanks to Christine Deng and Oaktree for their input to this article. If you're a fan of their work, Oaktree is now taking applications for its Campaigner for Change 2019 cohort around Australia.



THE SOCIAL FOOTPRINT INDEX

EVALUATING AND ENHANCING CORPORATE SOCIAL IMPACT

SOCIAL FOOTPRINT INDEX

BY:

ADHAM DIAB
CO-FOUNDER AND CEO

Increasing inequality is driving demand for social and community services, which is far outstripping the ability of Governments and For-purpose organisations to provide solutions and relief.

The Sustainable Development Goals (SDGs), otherwise known as the Global Goals, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

The SDG funding gap is estimated between \$2trn and 3trn a year. The gap that exists between us and these goals is one of investment. Corporations have a large role to play in bridging this funding gap along with a moral and economic imperative for action.

Corporate Social investment in Australia is lagging behind the rest of the developed world. Corporations have the greatest capacity and resources to help, but do not invest enough back into communities relative to their revenue. A lack of a consistent impact evaluation framework is often cited by corporations to counter the need for greater absolute dollar investment. The rationale being that the impact of the existing levels of investment is not accurately reflecting the value of the corporations' investment.

At Social Footprint Index we have recognised this challenge and are approaching it from a different lens. Our premise seeks to turn the evaluation gap into a lever to support sustainable impactful change. Citizens increasingly want to make a difference in the world by spending their dollars on companies that give back to society. More and more they are making ethical decisions about where to work, what to buy, where to shop, and which products and services to recommend to others.

However, there is a lack of accessible and comparable information about the social investments of corporations, or an avenue to act on that information.

Consumers believe corporations do not invest enough back into communities relative to what they take. Two thirds of Australian consumers think corporates give very little, and should take more action to improve conditions in the communities they operate in.

Globally 90% of consumers in surveys respond that they would switch to brands that support a good cause, given similar price and quality. An Australian survey confirmed these sentiments, with 91% reporting that if they had information about corporate social investment, they would switch service providers. Young Australians in particular, like young people globally, want to use their spending power to create change on key issues such as economic inequality and the environment.

Despite the overwhelming desire to support responsible corporations, only a third of Australians, but two thirds of young Australians, take action. Most consumers report they do not have enough information to buy ethical products (65%), or make responsible choices about services such as utilities, banking and groceries (75%).

There is an evaluation gap, not of impact, but an evaluation of intent to create impact.

At the social footprint index we have developed a new theory of ethical consumption – Impact procurement. The theory is that consumption decisions can be a social impact decision. They can serve the dual purpose of service provision and investment in social outcomes. Impact procurement leverages affirmative purchasing theory to incentivise and sustain action and leverages the power of the individual's procurement.

The MyFootprint platform overcomes previous limitations by focusing on service providers where consumers have limited brand attachment and the services provided are comparable. It provides information, collates and aggregates consumer change decisions via a push and pull data mechanism to create a marketplace and a commercial incentive for corporations to address.

We evaluate corporate social impact inputs as a measure of their social intent and allow consumers to be the arbiter of good deeds.

The MyFootprint platform stands to be the world's first Impact procurement platform. A market driven mechanism designed to create and sustain optimal commercial conditions to incentivise greater corporate social investment.

“We evaluate corporate social impact inputs as a measure of their social intent and allow consumers to be the arbiter of good deeds.”

AT KEARNEY AND GREENER MUSIC AUSTRALIA

USING DATA TO SOLVE THE
FESTIVAL WASTE PROBLEM

ATK X MMI

BY:

BILAL IBRAHIM
VICE PRESIDENT OF OPERATIONS

“The fact that we can buy a tent for \$20 or less, with the view of treating it like a single use product is so disheartening. I mean, it doesn’t take into account the slave labor that’s used overseas to get that product into market at such a low cost,”
– Berish Bilander,
Co-CEO, Green Music Australia

One of the most significant problems that music festivals have to deal with is waste. The aftermath of each music festival leaves behind a sea of tents, chairs, plastic bottles and plates that organisers have to pay copious amounts to clean up. Music festivals such as Coachella, Stagecoach, and Desert Trip generate around 100 tonnes of solid waste and the UK sees 23,500 tonnes of waste produced every year. Meanwhile, an average household only produces one tonne of waste every year.

Green Music Australia is an organisation that was formed to help improve the environmental record of the music industry. One of their latest campaigns aimed to tackle the problem of waste at music festivals and they have partnered with AT Kearney to identify the root cause of the issue. By partnering with AT Kearney, Green Music Australia was able to use frameworks and survey methodologies to dissect the driving factors that caused the problem.

AT Kearney surveyed 800 festival goers from Falls Festival (Lorne), Party in the Paddock, and Unify Gathering to understand why they are leaving behind so much waste. The survey confirmed some theories and helped develop unique insights. Firstly, the survey found that 50% of all rubbish is generated at the campsite. A “throwaway culture” whereby campers purchase items such as tents, plastic bottles, plates etc. for a single use and don’t take these items with them at the end of the festival accounts for most of the rubbish that is collected.



“The fact that we can buy a tent for \$20 or less, with the view of treating it like a single use product is so disheartening. I mean, it doesn’t take into account the slave labor that’s used overseas to get that product into market at such a low cost,” – Berish Bilander, Co-CEO, Green Music Australia

Furthermore, the survey also uncovered a significant information asymmetry between how festival goers believe their rubbish is dealt with and where it actually ends up. For instance, 50% of attendees thought that their waste doesn’t go to the landfill because many bins at these festivals are not marked clearly and 63% of people believed it wasn’t their responsibility to clean their rubbish because others at the campsite didn’t – the survey found people were four times as likely to leave a tent behind if they had seen a friend do so.

When these pieces of information are collated, we can develop a picture of the various factors that cause the waste problem. There has been an increase in the use of throwaway items at festivals, often encouraged by the items that are sold at food stands, which leads to rubbish accumulating at campsites. Furthermore, festival goers aren’t aware that they should clean up their campsite and while they would like their rubbish to be recycled, they are not given the means to make that choice.

Given the scope of the problem, many festival organisers are trying to prevent the environmental

externalities of festivals. For instance, they are eliminating the plastic that is used by the stands selling food and beverages, instead introducing green reusable cups and biodegradable disposables. Furthermore, some festivals are even providing free water with these reusable cups to reduce plastic consumption.

Ensuring an adequate number of bins are available at campsites is also an effective measure. By hiring large skip bins and hiring a few personnel to keep emptying out trash throughout the festival ensures people throw their rubbish in the bin rather than on the ground. This also allows the separation of waste for recycling so not all rubbish goes straight to the landfill. Finally, Green Music Australia will embark on a marketing campaign to set the expectation that everyone takes home their tent. They will even be trialling the use of onsite tent repair teams to ensure people keep their tent rather than leave it on the festival grounds.

The method in which Green Music Australia and AT Kearney went about understanding the waste problem at festivals serves as a case study in how the use of a systematic method of gathering data allows us to develop a tailored solution that tackles the crux of the problem. This emphasises the importance of using these methods in creating a positive social impact more broadly.



EVALUATING ORGANISATIONAL IMPACT

ISSUES TO CONSIDER

GOOD SHEPHERD MICROFINANCE

BY:

DR ZARA LASATER
HEAD OF PROGRAM DESIGN AND ADVISORY SERVICES

Increasingly, organisations from all sectors are being asked to provide evidence of their impact. In the corporate sector, organisations are moving from the language of corporate social responsibility to one of social impact. The growth in for-purpose organisations, B Corp Certification and social enterprises in Australia all speak to momentum in the currency of the language of impact in the marketplace. Communicating this impact builds organisational capital. Defining and evaluating impact, therefore, has become essential. The not-for-profit sector is central to this trend; indeed, evaluating the impact of particular programs and projects is foundational to the social economy. For example, in order for the social enterprise Thankyou to equate purchasing of their products with impact, the not-for-profits they support must be able to provide measures of quantifiable impact that can be communicated to the purchaser. As evaluating program and project level impact has been a requirement of government funding for many years, there is established practice and methodology in this space.

However, with the trend toward measuring not-for-profit organisational impact, as distinct from program or project impact, challenges can occur. Based upon our experience of conducting robust research and advising clients on impact assessments, the following issues can arise:

- First, many not-for-profits lack a robust 'theory of change'. Having a 'theory of change' (TOC) is fundamental to evaluating impact as it communicates a chain of outcomes linked to the ultimate desired impact(s) as well as the causal assumptions between outcomes. Often organisations will have this impact logic buried within the language of their strategic plan but not clearly articulated. Alternatively, organisations may have conducted a TOC exercise but the outcome chain and assumptions will have been deleted to form a more marketable product – better for communicating impact but not for evaluating and measuring impact as the underpinning logic is no longer clear.
- A second issue with evaluating impact at an organisational level is that many not-for-profits are engaged in a multiplicity of programs and projects. For example, in Good Shepherd Microfinance, a non-for-profit delivering financial products and services to people on low incomes, we deliver programs which are business to business (B2B) or business to customer (B2C).

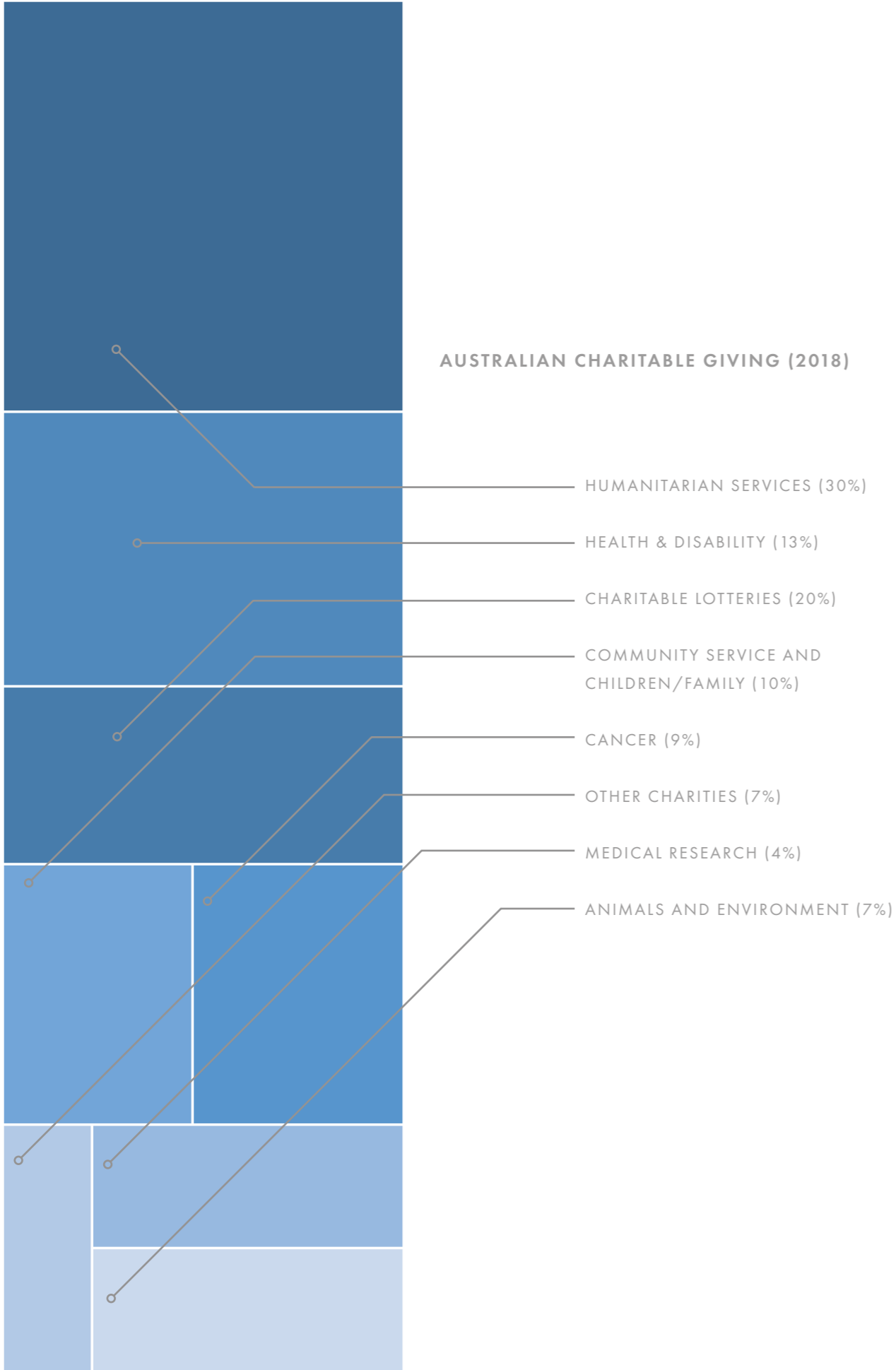
So, for example, trying to measure the reach of the organisation means complicated modelling that takes into account the reach of the organisations we work with in addition to the clients/customers we serve. Moreover, there are different sources of funding with different reportable outcome measures leading to diversity in evaluation and measurement across the organisation. One unit will be measuring the growth in people on low incomes starting businesses (microenterprise) while another will be looking at the growth in people taking up loans (microfinance). There are outcomes that unite these programs but they must be understood and agreed at a whole of organisation level. Importantly, they must also be measured at a whole of organisation level – this involves agreed methodology, instruments and research consistency.

- Third, related to the theory of change issue is the purpose statement of an organisation, often the desired articulated impact of the organisation. These words are often chosen to convey meaning and purpose without reflection on conceptual meaning and the research frame that underpins meaning. Alternatively, the chosen words can be purposefully vague so as to ensure purpose consensus. This works for strategic planning but not for impact measurement.

Underpinning all of these issues is the difficulty in devising standardised evaluation metrics at a whole of organisational level. To illustrate how these issues can be addressed, at Good Shepherd Microfinance, we developed a financial wellbeing framework drawing on our purpose statement, organisational TOC work as well as academic and practice understanding of concepts. These were used to form a measurement frame with an indicator bank.

This indicator bank formed the basis of an audit of existing measures used by various units within the organisation. While this audit provided an important first step, additional effort will be needed to develop whole of organisation impact evaluation research and embed this research effort across the organisation. As the issues above suggest, this presents political, logistical, conceptual, and research challenges, but, the opportunity afforded is one that we embrace. It is also one that our corporate, community sector, and government partners will expect as they, too, embrace impact measurement.

“At the heart of our approach to social impact is to make a positive and sustainable impact on the lives of our customers, people, shareholders, communities, and on the environment in which we operate”



NAB X MMI

EVALUATING IMPACT AT NAB

MELBOURNE MICROFINANCE INITIATIVE

BY:

BEN GRIFFITHS
NATIONAL AFFAIRS DIRECTOR

The importance of impact evaluation cannot be overstated. It is a crucial element in the impact process that allows one to reflect on their impact, create counterfactuals, and drive future decision making. Without a clear evaluation it becomes incredibly difficult to determine if you are making the desired impact, or to motivate your colleagues, clients, and/or other external groups to engage deeply with your core mission.

There is an opportunity cost attached to every decision one makes which makes it important that each decision is evidence-based. This is especially true in the realm of socially conscious initiatives, where the effects and benefits are felt by those whose lives we are trying to improve.

MMI’s principal corporate sponsor, NAB, has demonstrated that they understand the importance of evaluating impact and applied it throughout their impactful initiatives. Through its Charitable Giving Index, Sustainability reporting, Social Return on Investment analysis (SROI), and the work of the NAB foundation, NAB has engaged with its own impact and promoted impact evaluation for others.

Social Return on Investment (SROI)

SROI is a widely used principles-based method that seeks to provide a numerical account of the non-financial value that an initiative has created. It has value in that it quantifies an impact that isn't necessarily observed in conventional financial data. This allows for comparisons and evaluations of the performance and impact on stakeholders of various initiatives.

NAB engaged consultancies (Centre for Social Impact and Net Balance) to assess the impacts of numerous key programs, the results of which can be seen below.

No Interest Loans (NILS©)

A No Interest Loan Scheme (NILS) loan is a circular credit program that gives low income Australians access to loans of up to \$1,500 from local community agencies. NAB supports the program that was developed more than 30 years ago by Good Shepherd Microfinance.

Results:

- \$1 invested = \$1.59 in social and economic value
- 82% of people experienced a net improvement in economic and social outcomes after receiving a loan
- 42% of people who used fringe credit providers in the past either stopped or decreased their use of them.

Step-UP Low Interest Loans Program

NAB's low cost personal loan program focused on helping people financially excluded from mainstream finance. It offers an interest rate of 5.99% pa on loans from \$800 to \$3k loan.

Results:

- \$1 investment = \$2.68 in social and economic value
- 73.6% of people experienced a positive change in economic and social outcomes after receiving a loan
- 64.6% of people who used fringe lenders in the past, stopped borrowing from them after their Step-UP loan. Many others used fringe lenders less often.

INDIGENOUS TRAINEESHIP PROGRAMS

NAB's Indigenous employment program for school-based and full-time trainees.

Results:

- \$1 investment in school-based trainees = \$2.71 in social and economic value
- \$1 investment in full-time trainees = \$3.14 in social and economic value

- Increased employability and earning potential of trainees
- Improved self-esteem and communication skills

Indigenous Money Mentors Program

NAB's program that teaches life-changing financial skills to Indigenous Australians.

Results:

- \$1 investment = \$4.20 in social and economic value
- 36% of clients noted an improvement in standard of living and family relationships, demonstrating the flow-on benefits of increasing financial capability
- Results also highlighted the program's ability to address the gaps in financial services offered to Indigenous communities

African Australian Inclusion Program

NAB's program in partnership with Jesuit Social Services gives talented African Australians six-months of meaningful corporate work experience to help them overcome barriers in finding professional work in Australia.

Results:

- \$1 investment = \$6.24 in social and economic value
- Improved participant prospects for finding meaningful and ongoing employment
- Improved financial sustainability for participants and their extended family
- Provides NAB with access to a diverse set of talent that helps us better understand and serve our customers.

NAB Foundation

The NAB Foundation aims to use philanthropic capital to most effectively create a social impact. NAB has invested \$12.6m in grants to date and currently has 14 strategic partners focused on addressing family and domestic violence, financial shocks, environmental wellbeing and building the social enterprise ecosystem in Australia.

These strategic partners are as follows:

- Australian Land Conservation Alliance (ALCA)
- Australian Wildlife Conservancy
- Infoxchange
- Odonata
- Our Watch
- Reef Restoration Foundation
- Sacred Heart Mission
- StartSomeGood
- Sydney Children's Hospitals Foundation
- Terrain NRM

- The Nature Conservancy
- Two Good Co.
- University of Melbourne
- Women's Information Referral Exchange (WIRE)

NAB has two discrete categories of grants depending on the type of potential partner:

Seed grants: These are for providing funding for new ideas or initiatives to be trialled and to provide core operational support for early stage initiatives.

Thrive grants: These are for more established organisations or initiatives who require additional funds to be sustainable, to scale, or otherwise achieve their targets for future stages of development.

Providing both types of grants allows NAB to foster a dynamic and vibrant social impact ecosystem, while providing support to organisations that are already established.

Domestic and family violence

Domestic violence can affect anyone and is all too common. The NAB foundation proudly supports work in prevention, early intervention and improvement in support to victims through their grants.

NAB was the first Australian bank to offer Domestic and Family Violence Assistance Grants, having provided \$1.4million in grants to date.

One of these was a thrive grant towards Women's Information Referral Exchange (WIRE). WIRE is a Victorian service that provides information, referral and confidential support to women. They also provide research and advocacy for key women's issues along with a range of training programs organised in a safe environment.

The NAB Foundation's thrive grant supported the development of a national toolkit and online companion resource. These allow women to access the support they need while providing key knowledge and resources to community service and financial providers within this space.

NAB Charitable Giving Index

The NAB Charitable Giving Index is a report that aims to replicate charitable giving across the Australian economy by analysing up to two million non-cash transactions per day and rescaling it to the size of the Australian economy. This index has been created in partnership with Quantum.

This is particularly meaningful for community organisations and non-profits as it allows them to evaluate their own impact and make key strategic decisions. It's also valuable for any future organisations as this index allows them to pre-emptively analyse the charitable sector so as to make a more informed

decision.

This index also serves as an evaluation of charitable organisations by monitoring fundraising performance and assessing which causes Australians find most compelling.

According to the 2018 Index, the causes and charities Australians are most passionate about are:

- humanitarian services charities (30% of all donations)
- health and disability charities (13% of all donations)
- charitable lotteries (20% of all donations)
- community service and children/family charities (10% of all donations)
- cancer charities (9% of all donations)
- animals and environment (7% of all donations)
- other charities (7% of all donations)
- medical research (4% of all donations)

The rest of the report can be found on their website.

“Impact evaluation is a crucial element in the impact process that allows one to reflect on their impact, create counterfactuals, and drive future decision making.”

“We believe the solutions are entrepreneurial, so we focus on early stage ventures that exist to improve access to education or healthcare, create jobs or build safer homes”

SOCIAL IMPACT ASSESSMENT

THE CHALLENGE OF AGGREGATING IMPACT ACROSS SECTORS

YGAP

BY:

SYDNEY MACLENNAN
MONITORING, EVALUATION, AND
LEARNING OFFICER

For those trying to make a positive change in the world, talking about different types of social impact is as important as it is challenging. At ygap for example, we support ventures addressing poverty across many sectors, and talking about the many ways we support our entrepreneurs becomes increasingly challenging. Impact is at the core of the work we do – yet when working with almost 500 social ventures who create social impact across many sectors, it’s tough to come up with an impact number that accurately keeps track of how ygap entrepreneurs are helping increase the opportunities available for people living in poverty.

Many aspects need to be taken into account when deciding how to talk about social impact. An intervention will likely have many different types of impact. This could be improving education outcomes as well as training and employing teachers for example. Organisations may need to fly staff long distances, releasing large amounts of emissions into the atmosphere. Donors and funders are then wanting to know what their contribution has done and will be asking for an impact per dollar figure. You then have to communicate all of that into one easy to read statement to use as your organizations overarching mission.

So why does it matter to have one impact number? Why is it useful and what influence can it have on an organization?

For one thing, communicating social impact in a way that combines all the work you do allows your team to align with a shared goal. It develops positive culture and will help ignite a passion in your team. From my perspective as a Monitoring, Evaluation, and Learning Officer, it can also have other spillover effects on an organization by defining what success will look like. What this means is that if you say you want to have every child aged six and over enrolled in school, when the time comes to consider the quality of the education, you will intrinsically lean towards programs that increase enrollment rather than education quality.

There are existing resources to draw upon that help categorize social impact. Impact investing groups have attempted to categorize catalogues for possible social impact. The Global Impact Investing Network’s IRIS metrics are one commonly used platform in impact investing, which allows a great deal of detail in identifying what change you are creating. From employee benefits to affordable housing to the number of client individuals, the list is a great tool for defining what impact you are creating. The main critique and challenge though, is that by saying you have 5 employees accessing benefits and 5 people accessing affordable housing, you’re stepping into the grey zone of equating those two things. Perhaps the challenge involves adding some sort of depth to these numbers.

Others have tried to address the issue of impact depth, like the Pinchot Impact Index. It takes a more mathematical approach and tried to do just that, add depth to these numbers. It was able to use a logarithmic scale for depth of impact while taking into consideration the differences between different types of social impact. It’s not perfect though – there is an added challenge of the number not being understandable unless you understand some of those more complex calculations.

The most prominent catalogue for social impact would be the United Nations Sustainable Development Goals, a list of 17 global goals for a better world by 2030. They are a great way to communicate achievements in an internationally accepted language aligned with international frameworks in poverty alleviation. They are aspirational and an excellent resource but have been said to lay on the opposite scale to IRIS – too vague and not measurable on anything less than a national scale.

In my experience, despite the complexity of aggregating social impact, there are a few key components that will help to make sense of your social impact. Evaluate your mission and vision first, and then create your impact framework. Always, always include the story. As much as we can do our best at impact evaluation, one thing that always pulls people back to basics is the story. Why are you doing what you’re doing in the first place? Maybe the best way to talk about impact isn’t a numerical, measurable figure, but a compelling story of someone who was deeply impacted by your work. If there’s one way to effectively measure impact, it’s to talk to those who are benefitting from what you are doing and to own it.

“Maybe the best way to talk about impact isn’t a numerical, measurable figure, but a compelling story of someone who was deeply impacted by your work.”

EVALUATING IMPACT

FINANCIAL INCLUSION ACTION PLAN (FIAP) PROGRAM IN AUSTRALIA

MONASH S.E.E.D.

BY:

ALYSSA SOJEATTA CHHIM
MICROFINANCE OFFICER

AVESTINA ZHONG
MICROFINANCE OFFICER

“It’s everyone’s business, every sector has a role to play. The FIAP program is unique to Australia.”
- Karnali Bose

Social impact is enhancing the wellbeing of our society and financial inclusion is an important catalyst that is driving this change. Financial inclusion refers to individuals and businesses having access to practical and affordable financial products and services that meet their needs which are provided in a responsible and sustainable way. In November 2016, the Australian Unity joined the Financial Inclusion Action Program, and in March 2018, the Financial Inclusion Action Program was launched. The FIAP was developed in partnership with the Australian Government, Good Shepherd Microfinance, EY and the Centre for Social Impact. It enables a unified framework for public and private sector organisations in Australia to work together in not only making a positive impact, but evaluating impact on the financial wellbeing of Australians experiencing hardship.

The current problem with financial inclusion initiatives today is that the Government often provides unsustainable short term funding. This creates duplication of the same small projects, which results in multiple organisations fighting for funding instead of working cohesively together. Moreover, the evaluation process of projects are also expensive and time-consuming. In order to save time and money, organisations have sought to incorporate more inclusive design throughout each stage of project development as a solution. Inclusive design is one of the key strategies built into the FIAP program. According to the Centre for Social Impact, if products and services are designed with unique needs in mind, organisations have the potential to reach four times the number of intended customers. The three dimensions to inclusive design include recognising diversity and uniqueness, using inclusive process and tools, and aiming for the broadest beneficial impact. Interestingly, one of the main reasons why Australians are excluded from using products and services is due to poor design (PwC Australia).

The FIAP program is the first of its kind to implement a bottom up approach in Australia and provides a framework for organisations to address financial inclusion and resilience of their employees, customers and the public at large. It is a long-term funding initiative backed by the Australian government that aligns actions of organisations across sectors to one strategic mission. Subsequently, the FIAP program promotes the social conscience and commitment of businesses and institutions to ensure their products and services are more inclusive. Karnali Bose, Program Consultant for FIAP at Good Shepherds Microfinance,

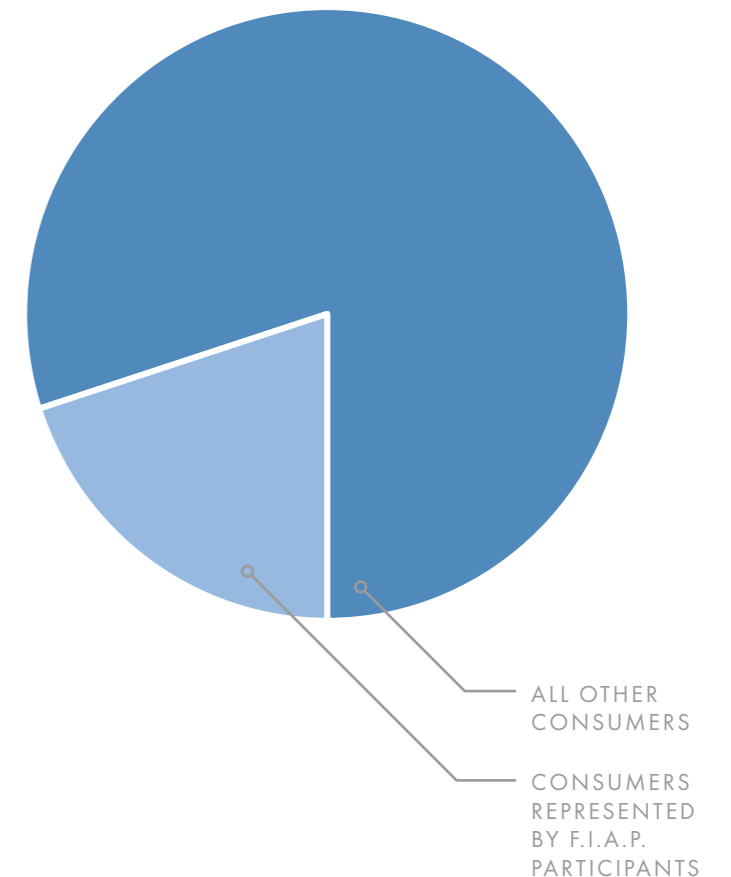
says “it’s everyone’s business, every sector has a role to play. The FIAP program is unique to Australia. ” Bose explains that there is an individual action plan for each company. Every year, they will be required to report about what they have achieved in terms of the outputs delivered.

The FIAP program essentially provides a robust framework for monitoring, quality assurance, and evaluation of actions undertaken by participating organisations. These actions are publicly reported, and monitored as part of the FIAP program to ensure the commitments are enacted and to measure the outcomes of these actions. Participating organisations such as Westpac Group, AGL and the Salvation Army, have made genuine commitments to take action by undertaking FIAP evaluation at the end of Phase One. This includes impact evaluation which measures the progress against the intended FIAP program in the short, medium, and long term, as well as process evaluation which examines what is working well in the program while identifying potential challenges.

30 organisations have joined the FIAP program to date, they represent a diverse group including financial services companies, utilities, not-for-profits, universities, and more. In joining the FIAP program, these organisations receive support to develop plans that match their own strategies, and the opportunity to join in collaborative forums and work together with other organisations to develop and strengthen the FIAP program. Together they make up over 250,000 people and have almost 80 percent of the Australian population as customers. Remarkably, it could contribute to a GDP uplift of \$2.9 billion, lead to \$583 million in Government savings, and increase household wealth by \$11.8 billion per annum. Together, the FIAP organisations have committed over 580 actions to realise greater inclusion and resilience for vulnerable groups in their own sphere of influence.

Financial inclusion becomes a priority in the innovation of these 30 organisations, they are committed to incorporating financial inclusion strategies into their usual business practises in Australia. The FIAP framework is a great example of how a long-term funded initiative taken by the Australian government is effective in evaluating the progress of organisation across a three year span. Ultimately, this framework recognises that collaborative actions are key to addressing complex problems and that support for long-term funding and inclusive design drives greater sustainable impact.

MARKET SATURATION OF F.I.A.P. PARTICIPANTS



“I was so genuinely inspired by the calibre and passion of the female entrepreneurs I met who are each doing their bit to benefit humanity.”

“We are connected by a shared purpose to make the world a better place.”

SheEO AUSTRALIA

REDEFINING THE VENTURE CAPITAL SECTOR

SheEO x MMI

BY:

MAROUSHKA SALDANHA
PREVIOUS NATIONAL AFFAIRS DIRECTOR AT MMI

Earlier this year I joined SheEO – a network of radically generous women that are committed to working on the world’s to-do list. These women are all very different – some are business leaders and budding entrepreneurs – while others are artists and changemakers, but we are connected by a shared purpose to make the world a better place. The inaugural SheEO Summit was held for one day in Sydney, and I can honestly say that I have never felt more love (yes that’s right, love) in a room of strangers over such a short time span. Hundreds of women from Australia and abroad gathered to discuss the power of radical generosity in venture capital funding. Our interests and passions overlapped from using technology to improve social inclusion and mental health, to campaigning for environmental conservation and the protection of human rights.

What is SheEO?

It’s pretty simple. The SheEO model brings together 500 women each year – called Activators – who contribute \$1100 each as an Act of Radical Generosity. This money is pooled together and loaned out to five female-led Ventures selected by the Activators. When I was sponsored by a mentor to sign up as an Activator, I didn’t realise that I would be stepping into a network filled with like-minded and diverse women who believed, like me, that social and environmental sustainability was the key to growing a successful start-up. Each SheEO Venture that enters the SheEO ecosystem is female-led, revenue generating with export potential and perhaps most importantly, are creating a better world through their business model or their product and service. The loans are given with 0% interest and are paid back over a period of five years before they are loaned out again to a new cohort of Ventures, creating a perpetual fund which can be passed on to the next generation.

What can you do as an Activator?

You can be any age or background to join and could know everything or absolutely nothing about venture capital. That’s part of what encouraged me to say ‘I’m IN.’ As an Activator, I contributed more than just my capital. I also activated my professional networks, expertise, resources and even buying power as an early customer with some of the Ventures. My favourite part was being able to select the Ventures directly through a unique online selection process, where myself and other Activators could review each application (12 questions about the business, the product and the team) and get to know more about the women leading them with their video pitch. At the Summit we had the opportunity to meet and greet the Ventures selected in this cohort, I was so genuinely inspired by the calibre and passion of the female entrepreneurs I met who are each doing their bit to benefit humanity. For example, Neighbourlytics is a social analytics platform for local neighbourhoods that uses social data from Facebook, Twitter and other sources to give city-makers real time insights into the way people move and interact in a local space. This

has the power to transform the way people move and interact in a local space. Lucinda Hartley, Chief Impact Officer of Neighbourlytics, said on the day that it was “such an emotional experience” to be chosen as a Venture, because SheEO fundamentally disrupted the way women and social-led businesses experience the venture capital system.

How does SheEO measure impact?

Usually a venture capitalist will want to know the basics about what makes your business the next big thing. A VC may ask about:

- The Problem: What problem or gap are you addressing in the market? Why is it important?
- The Market: Who are your customers and how big is the opportunity?
- The Competition: Who are your current and future competitors? How do you differentiate?
- The Team: Who is your management team? Why are they uniquely qualified to run this venture?

Investors like SheEO Activators care about this too. But we are more interested in, for example, how the venture is embedding values of sustainability and ethical conduct into the core business model. Start-ups with a social conscience will actively conduct evaluation across three areas – people, planet and profit. For example, SheEO uses their own version of environmental, social and governance (ESG) criteria to evaluate and select the Top 5 Ventures:

- Environmental criteria may include data captured on energy use, waste, pollution, and natural resource conservation.
- Social criteria look at the company’s business relationships, such as gathering feedback from customers on products and services, diversity and inclusion in the workplace, or partnering with suppliers that engage in ethical conduct, for example fair labour conditions and pay.
- Governance criteria enables investors to understand whether accurate and transparent accounting methods are used, and that issues such as conflict of interest, political contributions and illegal practice can be prevented.

- Throughout the Venture journey, SheEO uses an integrated survey approach to track impact in terms of different metrics. This aims to capture everything from: mindset shift and connections made; events delivered and people reached; and revenue increases, markets accessed and jobs created.

But what’s the big deal?

There are a few reasons that the world seriously needs more funding models like SheEO. Here are three of them:

1. From Winner Takes all to A Collective Economy
Did you know that right now eight men have roughly the same amount of wealth as half the planet? SheEO is designed to place money back in flow so that it can benefit everyone, rather than be held on to by a few.
2. From Transaction to Relationship
Investing in a start-up is more than a business transaction. SheEO has proved that investors and ventures can have a meaningful and long-term relationship built on trust, compassion and mutual benefit that reaches far beyond financial performance.
3. From Fear to Radical Generosity
Humans have an innate need to consume and produce in excess of what we need. This fear of not having enough is toxic, so SheEO encourages women with brilliant ideas to come forward and ask their peers to take a calculated risk of radical generosity so that the businesses that matter can thrive.



A MESSAGE FROM THE FOUNDER

Nine years ago, MMI was created with the purpose to inspire the best talent of Australia to take action in alleviating poverty through microfinance and social entrepreneurship. Through knowledge and experiences, we have made it possible for hundreds of students to see firsthand that they have the power to change people's lives. If you asked me to evaluate the impact of MMI so far, I would go back to understand how it was created. After the exchange program at the University of Pennsylvania and joining the Penn Microfinance Club, I traveled along with 6 fellow students to Cajamarca, a rural city within Peru where microfinance programs run exceptionally. We experienced first-hand the power of a small loan on a lady who sells orange juice on the street. My team and I talked to her and I will never forget one of her phrases: "This loan is giving me the income to put my little girl in school".

From personal stories to large scale indicators, there is a wide gap. However, I am always moved by realizing that small actions can change even one person's life. Have you ever experienced the feeling of someone telling you a genuine thank you after doing something meaningful for him/her? It is the best feeling ever but most importantly, it provides you and the other person with the willingness to take even further action. A small action to help others kind of creates some sort of Moore's law for social impact. How can we After my experience at Cajamarca with Penn students, I returned to Melbourne with the vision of providing the same kind of living experiences to FBE students. I invited five of my friends to join me in this endeavor and we got meetings to pitch professors such as Jeff Borland, Nilss Olekans and Rob Brown. They were all on board! We run our first event on October 2010 and it was a massive success.

Nine years later, here we are, several of us writing this IMPACT Review and even more reading it. Our impact has been wide in every possible sense. From helping institutions in over 10 countries to inspiring the creation of microfinance student societies all around the world. It is difficult to define a formula that assesses how our talent to the service of others impacts on them. However, my message to every MMI alumni and current member would be only one: every single person matters. So if you have the chance to help someone, whatever the reality that he or she lives, do it. Your impact will be forever grateful to this person.

Fernando Tamayo
FOUNDER OF MMI

