

SCALA Metrics Framework

Agenda

SCALA Network Metrics Framework

- Goals
- Development process
- Core components
- Draft indicators
- Annex
 - Related SDGs
 - Additional information on framework development

Goals

SCALA

As members of SCALA we create jobs, train workers, and expand access to products and services affecting micro-distributors' assets, opportunities, and capabilities.

Metrics Lab:

Micro-distributor's growth and well-being matter not only to our companies' bottom line, but to society, as it influences whether we have happy customers and healthy value chains. **By measuring the socio-economic impact of our work, we are able to predict client loyalty, distributor growth capacity, and address vulnerabilities along the value chain.**

Framework:

- Learning across network
- Guide decision-making within organizations
- Demonstrate benefit of micro-distributor network to outside stakeholders

Long-term objectives of Metrics Lab

- Gather and present annually quantitative evidence of the social and economic impact that SCALA member organizations have on their inclusive distribution networks.
- Long-term in-depth data collection with pilot companies to assess continued value of metrics and adapt indicators over time.

Process for Developing Framework

Goal: Keep framework simple, practical and flexible (not a one size fits all approach)

3 calls with Metrics Lab to develop and refine framework (BSD Consulting, IDB SCALA, Clinton Foundation, IDRC, Fundación Paraguaya)

Analysis of indicators from the frameworks and tools identified by Metrics Lab members.

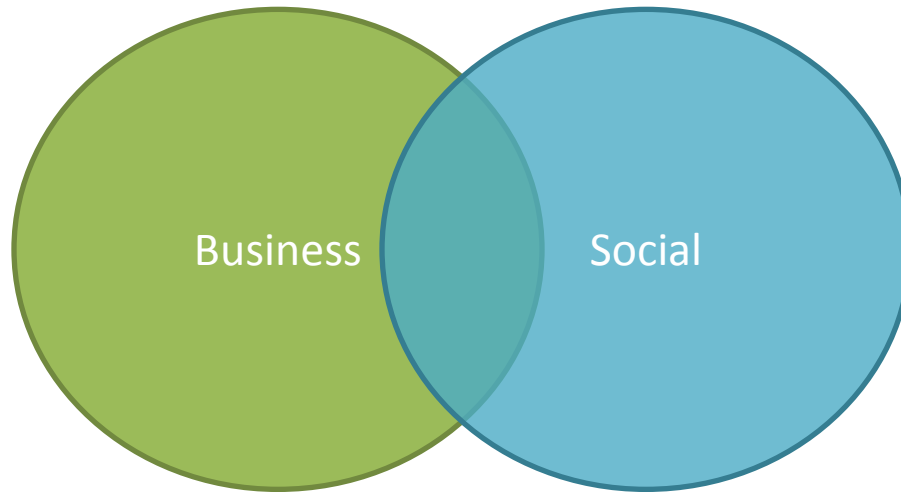
- 3Es framework using metrics shared in BSD case studies
- Metrics shared at Miami event
- Clinton Foundation survey (including PPI)
- OPHI's Multidimensional Poverty Index
- Base of the Pyramid Impact Assessment Framework
- Social Progress Index
- Poverty Spotlight

Categorized indicators by:

- Relevant SDGs (Goal 1, 5, 8 and 17)
- 3Es (empowerment, economic opportunity, enterprise)
- Which other frameworks metrics included in
- Purpose (internal, external)
- Stage of growth (pilot, growth, scale)
- Level of data collection (enterprise, employee/microdistributor, customer, community)
- Impact category (social, business, performance)

Core Components of Framework

Goal: Keep framework simple, practical and flexible (not a one size fits all approach)



Retention

Change in self-efficacy

Skills and Knowledge

Pride

Sales

Skills and Knowledge

Pride

The Sustainable Development Goals

The UN adopted 17 Sustainable Development Goals (SDGs) during their General Assembly convening September 25-27. These goals are the result of consultation with thousands of organizations and over one million individuals. The SDGs go into effect January 1, 2016.

Goal 1. End poverty in all its forms everywhere

Goal 5. Achieve gender equality and empower all women and girls

Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

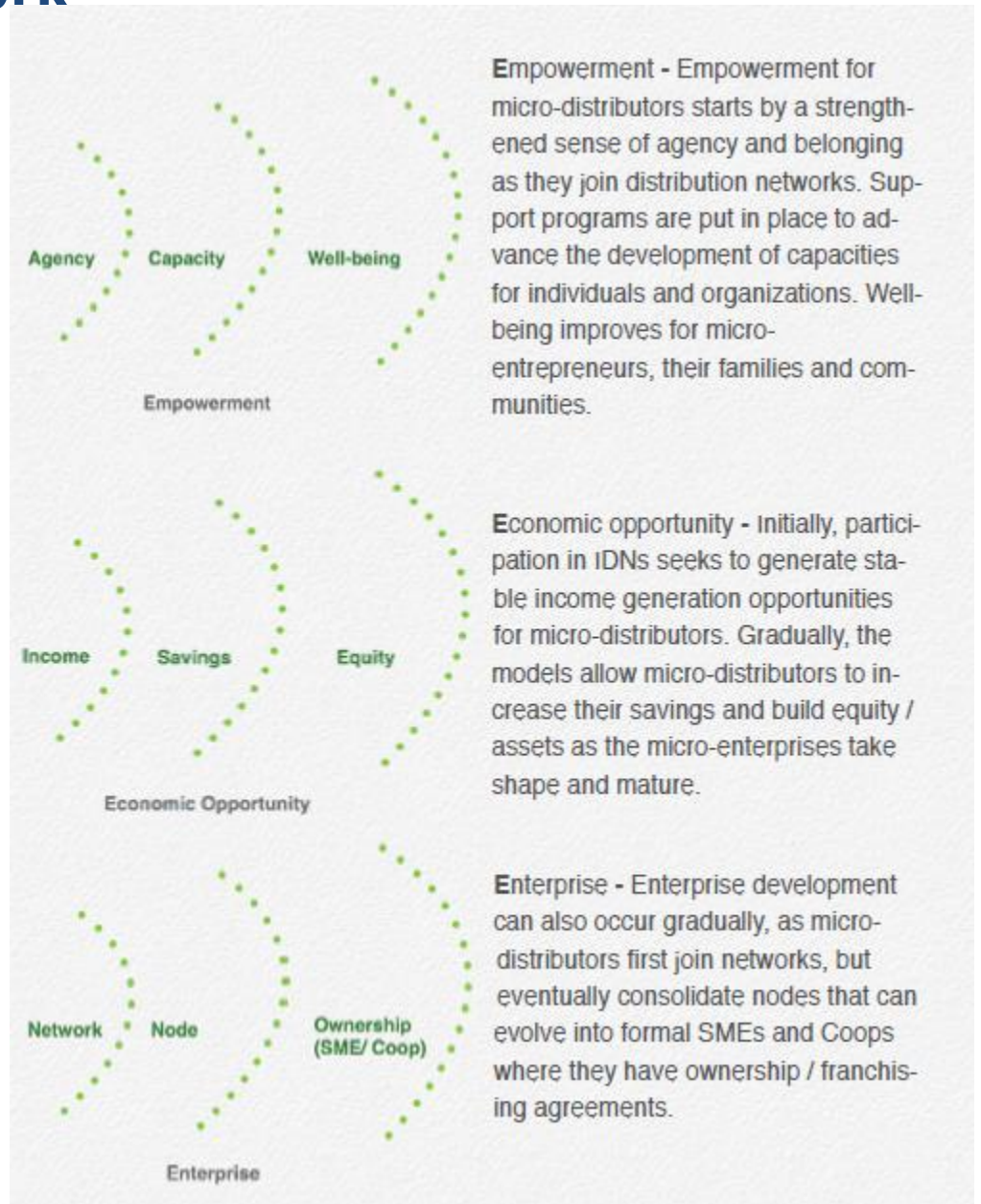
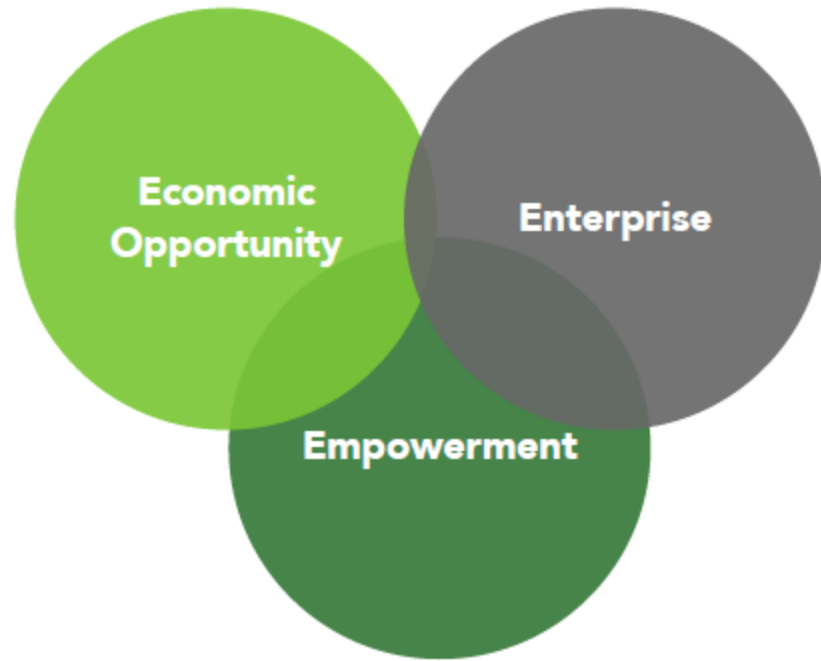
Goal 17. Strengthen the means of implementation and revitalize the global partnership for sustainable development

Data, monitoring and accountability

17.18 by 2020, enhance capacity building support to developing countries, including for LDCs and SIDS, to **increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts**

17.19 by 2030, build on existing initiatives to **develop measurements of progress on sustainable development** that complement GDP, and support statistical capacity building in developing countries

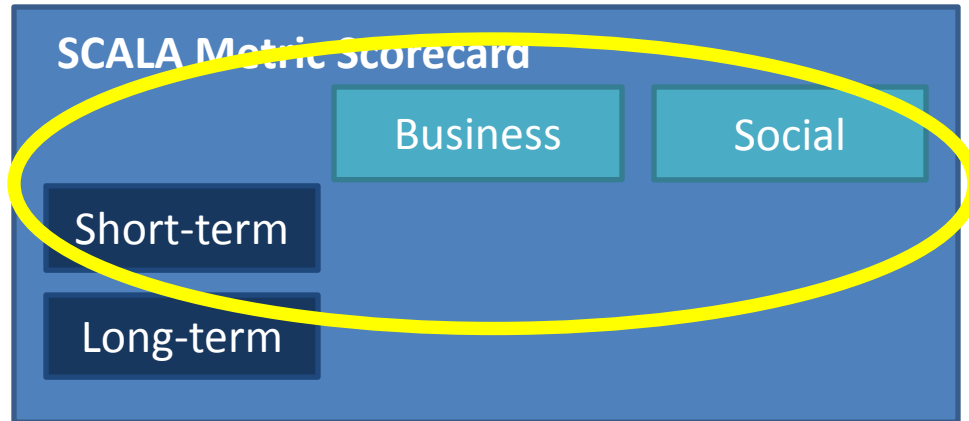
The '3 Es' Impact Framework



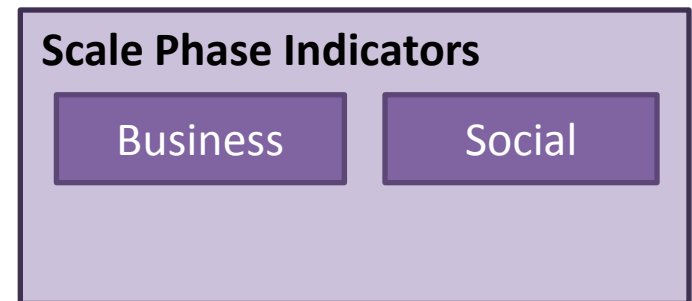
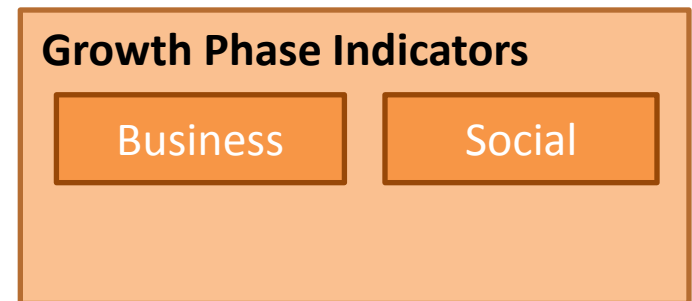
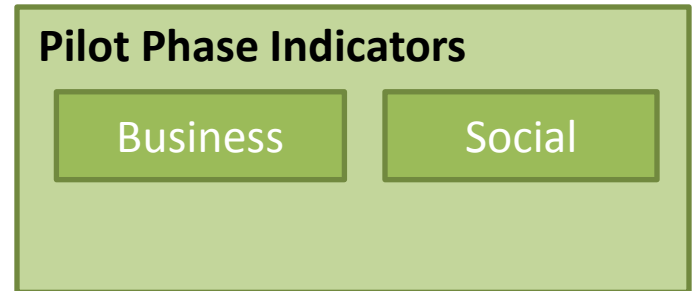
Core Components of Framework

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Core metrics collected by all SCALA members



Optional metrics by stage of growth



Core Social Indicators – Short-term

Unit of Analysis	Theme	Core Elements	Indicator	Examples	SDGs			
					Goal 1	Goal 5	Goal 8	Goal 17
Micro-distributor	Economic Opportunity	Livelihood	Income	Income of micro-distributor prior to and after joining organization	1.1		8.5	
			Sales	Sales of micro-distributor compared to the organization's average sales per micro-distributor				
		Economic Resilience	Income stability	Stability of the micro-distributor's income week to week	1.5			
			Assets	Assets owned by the micro-distributor such as TV, car, radio, type of flooring, toilet, number of rooms in home, electricity source, water source, etc.	1.5	5.6a		
			Credit	Micro-distributor's access to credit such as loans	1.4	5.6a	8.3	
	Empowerment	Capabilities (Knowledge and Skills)	Financial literacy	Financial management knowledge gained by micro-distributors through training and on the job	1.5			
			Self-esteem	Self-assessment of self-worth and abilities by micro-distributor				
		Empowerment	Empowerment	Self-assessment of influence, power, self-determination and competence by micro-distributor		5.5		
		Non-economic Resources	Access to information/goods/services	Micro-distributor's access to technology as well as services such as health care, transportation, etc.	1.4	5.6b		
			Social support	Support micro-distributor receives (advice as well as resources) by individuals in their social network	1.5			
	Enterprise	Enterprise Growth	Entrepreneurship index	Micro-distributor's decision-making skills, general knowledge, network, and income			8.3	
			Gradual 'formality'	Degree of formality of micro-distributor's job such as whether they receive social security and other benefits such as health care	1.3	5.6c	8.3	
		Opportunity Cost	Opportunity cost	Number of hours micro-distributor works versus number of hours spent with family		5.4	8.8	
		Brand Leverage	Pride	Micro-distributor's pride for the organization and brand				
		Career Progression Path	Aspirations/hope	Micro-distributor's opportunity for growth and advancement as well as rewards and incentives.				

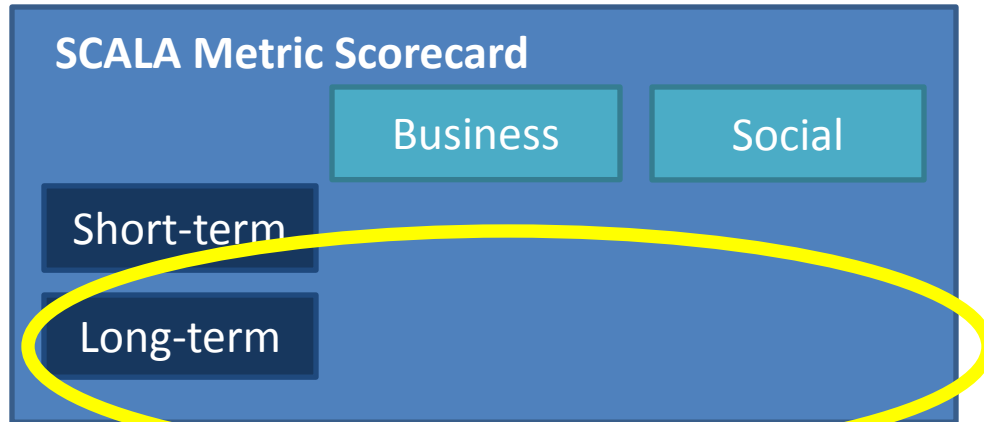
Core Business Indicators – Short-term

Unit of Analysis	Theme	Core Elements	Indicator	Examples	SDGs			
					Goal 1	Goal 5	Goal 8	Goal 17
Business	Business	Sales	Sales and growth	Sales growth of the organization over the past year			8.2	
			Sales revenue	Average sales per year of the organization				
		Talent Retainment	Retention	Retention of micro-distributors per month				
		Mission	Contribution to enterprise business and social strategy	Degree to which program contributes to both the business and social mission				
		Satisfaction	Market share	Percentage of clients recommending organization				
		Social Capital	Number of advisors	Number of board members, advisory board members, venture advisors identified and on-boarded by the company				17.16, 17.17, 17.3, 17.6, 17.7, 17.8, 17.9, 17.11, 17.13, 17.15
			Number of ecosystem partners	Number of systemic partners and collaborations established by the company				17.16, 17.17, 17.3, 17.6, 17.7, 17.8, 17.9, 17.11, 17.13, 17.15
		Capital	\$ Capital raised	New capital raised in the form of equity, debt or grants received				17.3
		Reach	Number of BoP lives reached	Number of unique BoP individuals who were clients of the organization during the reporting period	1.1			
			Number of employees	Number of BoP and non-BoP paid full time and part-time employees or staff across organization			8.5	
			Number of countries reached	Number of countries the organization is operating within				

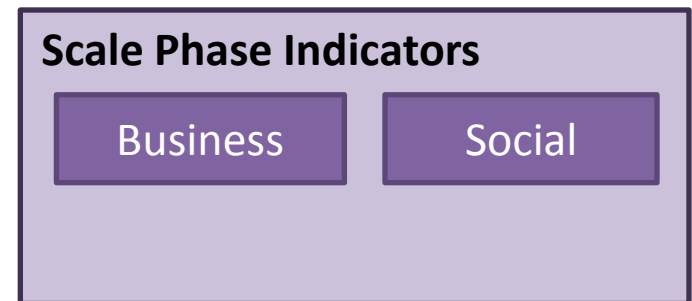
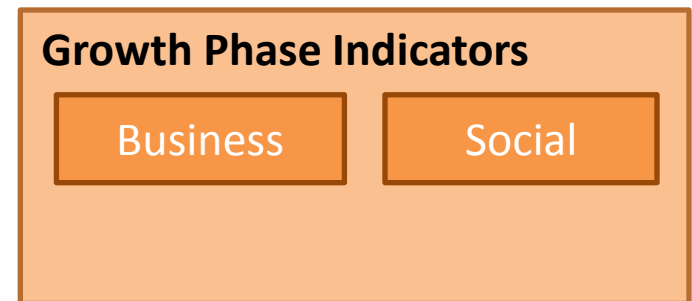
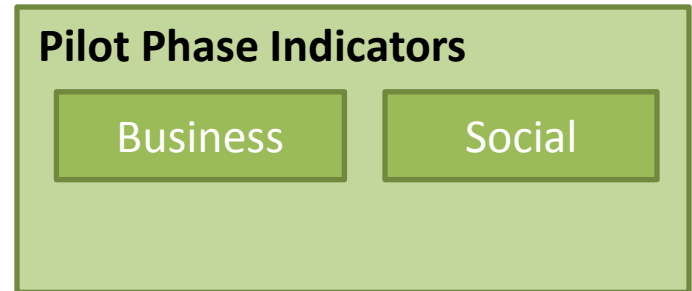
Core Components of Framework

Goal: Keep framework simple, practical and flexible (not a one size fits all approach)

Core metrics collected by all SCALA members

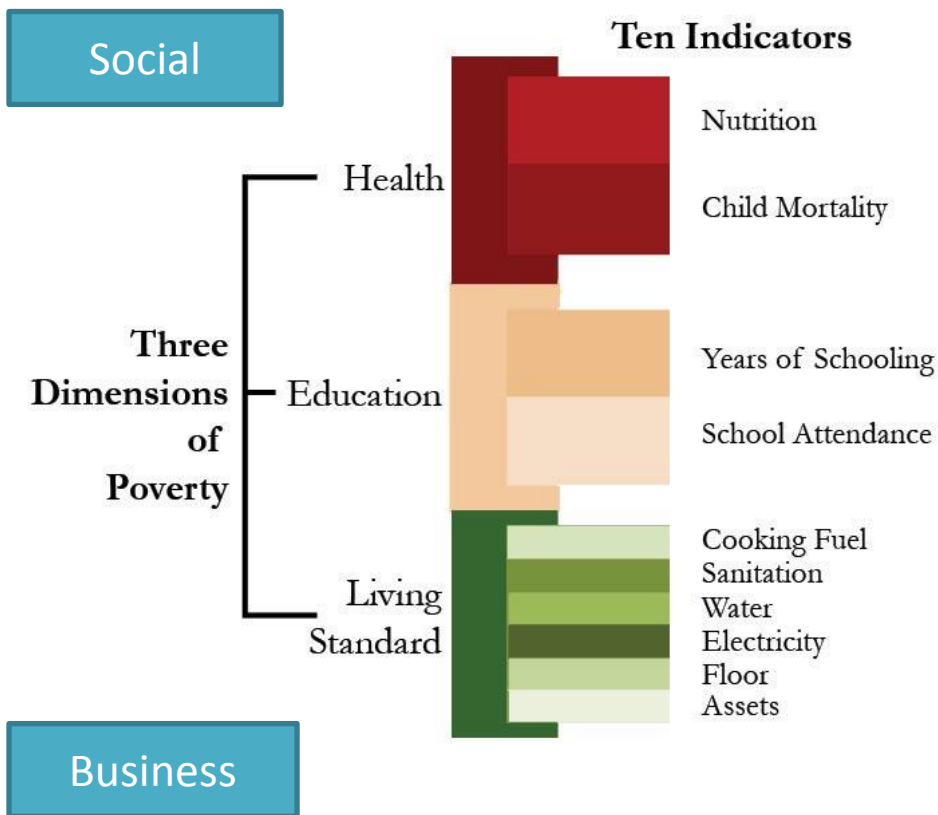


Optional metrics by stage of growth





Basic Social Indicators – Long-term



PPI® Scorecard for Peru
To assist with collection, organizations can use the household roster located on the third page to assist with questions 1 & 2.

Entity	Name	ID	Date (DD/MM/YY)
Participant:			Joined: _____
Field agent:			Today: _____
Service point:			Household size: _____

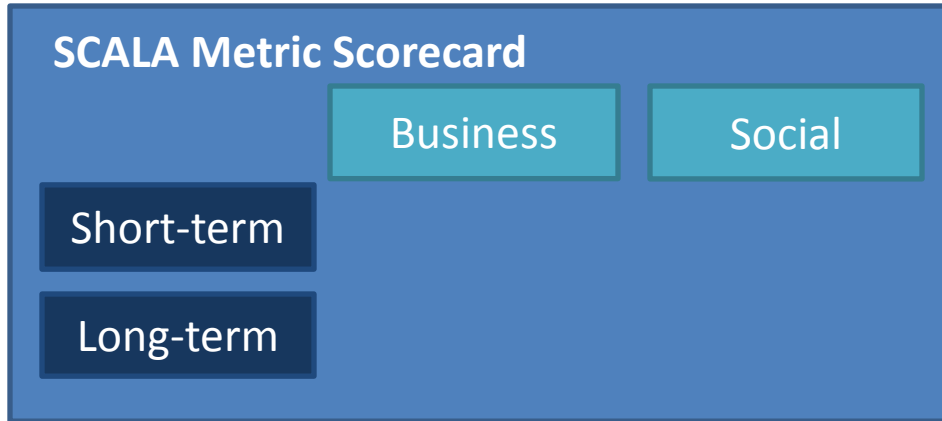
Indicator	Response	Points	Score
1. How many members does the household have?	A. Seven or more	0	
	B. Six	7	
	C. Five	12	
	D. Four	17	
	E. Three	22	
	F. Two	27	
	G. One	34	
2. In the past week, how many household members ages 14 or older did any work? (not counting household chores)	A. One or none	0	
	B. Two	2	
	C. Three	6	
	D. Four or more	9	
3. What is the highest educational level that the female head/spouse completed?	A. None, pre-school, or kindergarten	0	
	B. Grade school (incomplete)	3	
	C. Grade school (complete), or high school (incomplete)	4	
	D. No female head/spouse	6	
	E. High school (complete), or non-university superior (incomplete)	7	
	F. Non-university superior (complete), or higher	13	
4. How many rooms are used only as bedrooms?	A. None	0	
	B. One	2	
	C. Two	4	
	D. Three or more	8	
5. What is the main material of the exterior walls?	A. Mud, matting, wattle and daub, adobe, stone with mud, or other blocks	0	
	B. Wood, stone, stone blocks with mortar or cement, or brick or cement blocks	4	
6. What fuel does the household most frequently use for cooking?	A. Charcoal, kerosene, or other	0	
	B. Firewood	3	
	C. Gas (LPG or natural), electricity, or does not cook	7	
7. Does the household have a refrigerator/freezer?	A. No	0	
	B. Yes	3	
8. Does the household have a blender?	A. No	0	
	B. Yes	6	
9. How many color televisions does the household have?	A. None	0	
	B. One	5	
	C. Two or more	9	
10. Does the household have a cellular telephone?	A. No	0	
	B. Yes	7	

Indicator	Examples
Market intelligence	Assessment of interaction between micro-distributors and target communities effect on gaining intelligence about markets and responding effectively to meet market needs
Brand awareness and market reach	Assessment of effect of micro-distributors on expanding market reach to BoP communities and creating awareness of the brand in new markets (including cost-effectiveness assessment)

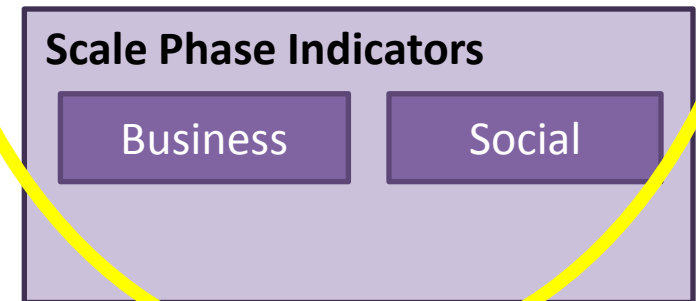
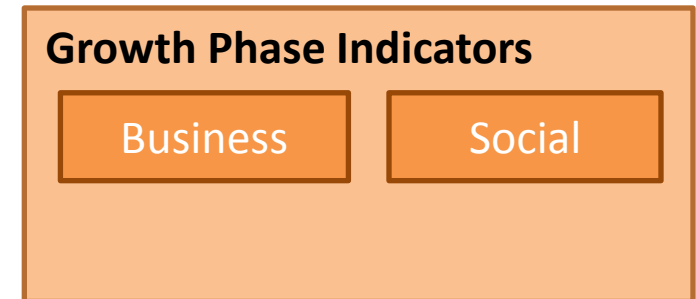
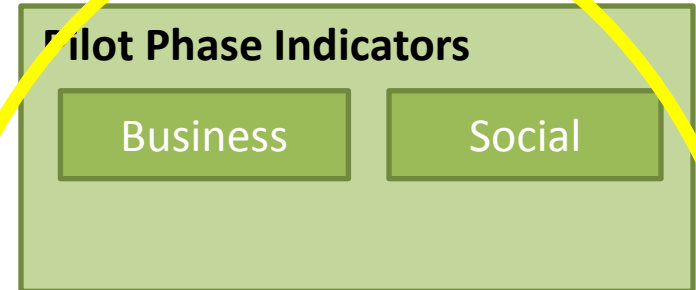
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Optional metrics by stage of growth



Indicators by Stage of Growth – Wisdom from Others

“Over the last couple of years we have learnt from the microfinance industry about potential for **“mission drift”** – as some MFIs started to scale very fast, not all loans were being productively used – e.g. some clients used them only for consumption purposes. Some firms raised interest rates to satisfy investors at the expense of captive customers. All of this could be tracked and possibly avoided if mission drift was detected early. An important learning for impact businesses as stated by one of our portfolio companies, iSTAR’s CEO, Surga Thilakan, “It is important to recognize the drift, so all stakeholders including the entrepreneurs are aware.” At Unitus Seed Fund, we believe that **building an impact measurement system at the seed stage would help shine a light on mission drift**, thereby allowing the company and investors to decide what percentage of drift can be accepted on a continual basis.”

“While identifying metrics, select ones that will indicate the efficiency and effectiveness of the implementation model and measure specific processes towards scaling the business and impact. **Think of a framework that throws perspective on the organization’s high level goals as well as tactical progress, in the short and long term.**”

“**At all stages, keep the metrics to a minimum** - 3 to 6 outputs, 2-3 outcomes and 1-2 long term impact indicators.”

Annex

Annex 1. SDGs relevant to SCALA network

Annex 2. Additional information on framework development

Relevant SDGs to SCALA Network

Goal 1. End poverty in all its forms everywhere

Goal 5. Achieve gender equality and empower all women and girls

Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Goal 17. Strengthen the means of implementation and revitalize the global partnerships for sustainable development

(see all SDGs at
<https://sustainabledevelopment.un.org/sdgsproposal.html>)

Goal 1. End poverty in all its forms everywhere

- 1.1 by 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day
- 1.2 by 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions
- 1.3 implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable
- 1.4 by 2030 ensure that all men and women, particularly the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership, and control over land and other forms of property, inheritance, natural resources, appropriate new technology, and financial services including microfinance
- 1.5 by 2030 build the resilience of the poor and those in vulnerable situations, and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters
 - 1.a. ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation to provide adequate and predictable means for developing countries, in particular LDCs, to implement programmes and policies to end poverty in all its dimensions
 - 1.b create sound policy frameworks, at national, regional and international levels, based on pro-poor and gender-sensitive development strategies to support accelerated investments in poverty eradication actions

Goal 5. Achieve gender equality and empower all women and girls

5.1 end all forms of discrimination against all women and girls everywhere

5.2 eliminate all forms of violence against all women and girls in public and private spheres, including trafficking and sexual and other types of exploitation

5.3 eliminate all harmful practices, such as child, early and forced marriage and female genital mutilations

5.4 recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies, and the promotion of shared responsibility within the household and the family as nationally appropriate

5.5 ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life

5.6 ensure universal access to sexual and reproductive health and reproductive rights as agreed in accordance with the Programme of Action of the ICPD and the Beijing Platform for Action and the outcome documents of their review conferences

5.a undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance, and natural resources in accordance with national laws

5.b enhance the use of enabling technologies, in particular ICT, to promote women's empowerment

5.c adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels

Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (1/2)

- 8.1 sustain per capita economic growth in accordance with national circumstances, and in particular at least 7% per annum GDP growth in the least-developed countries
- 8.2 achieve higher levels of productivity of economies through diversification, technological upgrading and innovation, including through a focus on high value added and labour-intensive sectors
- 8.3 promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage formalization and growth of micro-, small- and medium-sized enterprises including through access to financial services
- 8.4 improve progressively through 2030 global resource efficiency in consumption and production, and endeavour to decouple economic growth from environmental degradation in accordance with the 10-year framework of programmes on sustainable consumption and production with developed countries taking the lead
- 8.5 by 2030 achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value
- 8.6 by 2020 substantially reduce the proportion of youth not in employment, education or training

Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (2/2)

8.7 take immediate and effective measures to secure the prohibition and elimination of the worst forms of child labour, eradicate forced labour, and by 2025 end child labour in all its forms including recruitment and use of child soldiers

8.8 protect labour rights and promote safe and secure working environments of all workers, including migrant workers, particularly women migrants, and those in precarious employment

8.9 by 2030 devise and implement policies to promote sustainable tourism which creates jobs, promotes local culture and products

8.10 strengthen the capacity of domestic financial institutions to encourage and to expand access to banking, insurance and financial services for all

8.a increase Aid for Trade support for developing countries, particularly LDCs, including through the Enhanced Integrated Framework for LDCs

8.b by 2020 develop and operationalize a global strategy for youth employment and implement the ILO Global Jobs Pact

Goal 17. Strengthen the means of implementation and revitalize the global partnership for sustainable development (1/4)

Finance

17.1 strengthen domestic resource mobilization, including through international support to developing countries to improve domestic capacity for tax and other revenue collection

17.2 developed countries to implement fully their ODA commitments, including to provide 0.7% of GNI in ODA to developing countries of which 0.15-0.20% to least-developed countries

17.3 mobilize additional financial resources for developing countries from multiple sources

17.4 assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and address the external debt of highly indebted poor countries (HIPC) to reduce debt distress

17.5 adopt and implement investment promotion regimes for LDCs

Goal 17. Strengthen the means of implementation and revitalize the global partnership for sustainable development (2/4)

Technology

17.6 enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation, and enhance knowledge sharing on mutually agreed terms, including through improved coordination among existing mechanisms, particularly at UN level, and through a global technology facilitation mechanism when agreed

17.7 promote development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed

17.8 fully operationalize the Technology Bank and STI (Science, Technology and Innovation) capacity building mechanism for LDCs by 2017, and enhance the use of enabling technologies in particular ICT

Capacity building

17.9 enhance international support for implementing effective and targeted capacity building in developing countries to support national plans to implement all sustainable development goals, including through North-South, South-South, and triangular cooperation

Goal 17. Strengthen the means of implementation and revitalize the global partnership for sustainable development (3/4)

Trade

17.10 promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the WTO including through the conclusion of negotiations within its Doha Development Agenda

17.11 increase significantly the exports of developing countries, in particular with a view to doubling the LDC share of global exports by 2020

17.12 realize timely implementation of duty-free, quota-free market access on a lasting basis for all least developed countries consistent with WTO decisions, including through ensuring that preferential rules of origin applicable to imports from LDCs are transparent and simple, and contribute to facilitating market access

Systemic issues

Policy and institutional coherence

17.13 enhance global macroeconomic stability including through policy coordination and policy coherence

17.14 enhance policy coherence for sustainable development

17.15 respect each country's policy space and leadership to establish and implement policies for poverty eradication and sustainable development

Goal 17. Strengthen the means of implementation and revitalize the global partnership for sustainable development (4/4)

Multi-stakeholder partnerships

17.16 enhance the global partnership for sustainable development complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technologies and financial resources to support the achievement of sustainable development goals in all countries, particularly developing countries

17.17 encourage and promote effective public, public-private, and civil society partnerships, building on the experience and resourcing strategies of partnerships

Data, monitoring and accountability

17.18 by 2020, enhance capacity building support to developing countries, including for LDCs and SIDS, to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts

17.19 by 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement GDP, and support statistical capacity building in developing countries

Framework Analysis Findings (1/2)

Differences between frameworks/tools:

- Some tools focus mainly on material things individuals own (i.e. assets, standard of living) while others focus on capabilities of individuals as well as the relationships individuals have in addition to income

Takeaways based on categories:

- Relevant SDGs (Goal 1, 5, 8 and 17) – A number of indicators could be classified as Goal 5, limited indicators related to Goal 17
- 3Es (empowerment, economic opportunity, enterprise)
- Purpose (internal, external) – This categorization seems very subjective. Classification seems to depend more on whether the indicator is positive or negative (positive ones would be shared externally while negative ones would be shared more internally).
- Stage of growth (pilot, growth, scale) – Since more nascent organizations have limited capacity and resources to collect data – recommend that organizations should collect less indicators at earlier stages and add indicators as they grow
- Level of data collection (enterprise, employee/micro-distributor, customer, community) – To keep the framework simple likely want to limit the # of different stakeholders collect information from in the basic model
- Impact category (social, business, performance) – Most indicators are social, a few are business. It seems like tracking on social and business indicators would allow for performance monitoring of impact and ability to manage impact/decision-making
- Which other frameworks indicators included in – Just because a indicator is used in other frameworks doesn't mean it is most important, rather it likely means that a larger number of organizations are already collecting that indicators

Shared Structure Findings (2/2)

Appeared in 6/7 frameworks:

- Expenditures – 3Es, BoP IAF, PPI, MPI, SPI, Clinton Foundation

Appeared in 5/6 frameworks:

- Financial literacy – Clinton Foundation, 3Es, PS, BoP IAF
- Sanitation - PPI, SPI, PS, BoP IAF, MPI
- Water - PPI, SPI, PS, BoP IAF, MPI
- Electricity - PPI, PS, BoP IAF, SPI, MPI
- Education - PPI, MPI, SPI, PS, BoP IAF
- Physical health (focus on nutrition) - 3Es, MPI, SPI, PS, BoP IAF
- Access to and quality of services - 3Es, Clinton Foundation, SPI, PS, BoP IAF

Components of Framework

Goal: Keep framework simple, practical and flexible (not a one size fits all approach)

SCALA Metrics Framework – Core components

- Have a core set of indicators all SCALA members track.
- Include a mix of business and social indicators. Value of doing so is show how managing social metrics can improve business outcomes as well as impact outcomes
 - Social indicators should vary across SDGs, 3Es and area's of well-being
 - Business indicators should be simple such as sales, retention, etc.
- Core indicators: short-term and long-term
 - Short-term indicators
 - Long-term indicators
 - Since majority of most popular indicators are included in the OPHI MPI, this could be the base set of metrics. Additional value of using the OPHI MPI is that it is 1) short 2) has metrics that are simple to collect 3) allows comparison to national and global datasets and 4) OPHI MPI is calling for a MPI 2015+ related to the SDGs – asking to measure who is poor and how they are poor (segment population)
- Flexible indicators: Organizations can add additional indicators as they move from pilot to growth to scale stage. Organizations can choose which additional indicators to use based on:
 - Relevance of indicator to mission
 - Likelihood of occurring
 - Magnitude of effect
 - Influence of the indicator on stakeholder assessments and decisions



SCALA

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