

TOWARDS COMMON STANDARDS FOR IMPACT MEASUREMENT AND REPORTING

Preamble

Clear impact metrics are essential to making the economic and social contributions of investments measurable, allowing investors to improve their transparency, effectiveness, and accountability. These benefits significantly increase when investors' impact metrics are adopted in common by different institutions, thereby reducing the reporting burden on clients and facilitating comparability and learning. As impact investing continues to grow in scale and importance, the identification and widespread adoption of shared standards for impact measurement represent both an immense opportunity and a challenge the industry must meet.

Since 2008, many key development finance institutions (DFIs) have participated in the Harmonized Indicators for Private Sector Operations (HIPSO) partnership, which now includes 28 partners. Around the same time, the Global Impact Investing Network (GIIN) launched the IRIS Catalogue of Metrics, following an inclusive, consultative approach. More recently, HIPSO and IRIS+ have worked closely together to deepen the harmonization of metrics. As a result, the Joint Impact Indicators (JII) have been developed representing an integration of a subset of the IRIS Catalog of Metrics and HIPSO indicators in areas that are common across impact investments such as Gender Equality, Jobs, and Climate, with further alignment to follow in the coming weeks. The JII are housed in [IRIS+](#) and the [HIPSO](#) website. Further indicators may be added over time based on the joint contributions of HIPSO, GIIN members and impact investing stakeholders.

Harmonizing how we measure impact is essential, but it is now also critical that investors coordinate which impacts we measure. A broader industry conversation about global impact reporting standards that could apply to all impact investors is overdue. In addition to standard metrics, this must include the definition of a common minimum scope for impact reporting, covering the key impact metrics to which private enterprises and their investors contribute, and including requirements for adequate disclosure. Our institutions support the identification of such core metrics and intend to use our experience of collaboration and our position within the industry to advocate for progress in this important area. Our shared ambition is to work with other investors towards the general adoption of a set of indicators that would be measured and used when reporting by the impact investing community, laying the foundation for improved accountability and greater impact.

The landscape of impact metrics is complex – neither investors, stakeholders, nor companies we support are served by creating an ever-widening range of new reporting standards. Instead, we propose to work with others who share our ambition of common and consistent impact reporting to realize agree on a single core set of globally accepted impact metrics. This approach is in line with our shared commitment to promote a credible approach to impact investing, as captured by the Operating Principles for Impact Management launched in 2019 and already adopted by over 100 financial institutions, managing over \$340bn in impact assets. By placing our support behind effective metrics that already have widespread adoption, we have a unique chance to deliver a change that will benefit the entire impact investing industry and ultimately allow us to better serve the companies we support and the communities we work with. We acknowledge the collaboration and support of the Global Impact Investing Network in this effort.

We believe our use of the Joint Impact Indicators will complement our adoption of the Operating Principles for Impact Management in promoting a credible approach to impact investing.

This set of indicators covers broad thematic areas that have been crafted to appeal to a wide range of impact investors. Some institutions are already measuring more than just the Joint Impact Indicators in key areas such as climate. Continuing harmonization efforts may result in future additions to the joint impact indicators.

In summary, the launch of the Joint Impact Indicators is a major step forward for harmonized impact measurement and offers an important opportunity for much more widespread adoption and use of effective impact metrics.

By joining, participants highlight their commitment to:

- use the Joint Impact Indicators on jobs, gender equality and environment & climate when measuring and reporting on their impact.
- collaborate on the identification of a core set of impact metrics, with the aim to define the minimum scope for impact measurement and reporting for all impact investors.

Joint Impact Indicators endorsed by:

- Association of European Development Finance Institutions (EDFI) on behalf of all of its member institutions: CDC Group Plc (CDC), Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO), Belgian Investment Company for Developing countries (BIO), Compañía Española de Financiación del Desarrollo, COFIDES, S.A., S.M.E (COFIDES), Deutsche Investitions- und Entwicklungsgesellschaft (DEG-KFW), Finnish Fund for Industrial Cooperation Ltd (Finnfund), Investment Fund for Developing Countries (IFU), Norwegian Investment Fund for Developing Countries (Norfund), the Development Bank of Austria (OeEB), Société de Promotion et de Participation pour la Coopération Economique (Proparco), Belgian Corporation for International Investment (SBI-BMI), the Swiss Investment Fund for Emerging Markets (SIFEM), Società italiana per le imprese all'estero S.p.A (SIMEST), Sociedade para o Financiamento do Desenvolvimento, Instituição Financeira de Crédito, S.A (SOFID), Swedfund International AB (Swedfund)
- Arcano Partners
- AvantFaire
- AXA Investment Managers UK Limited
- BlueOrchard Impact Investment Managers
- Calvert Impact Capital, Inc.
- Christian Super
- Community Investment Management LLC
- Deetken Impact Sustainable Energy
- Denham Capital
- Development Partners International
- Developing World Markets
- Dream Unlimited Corp.
- Egyptian-American Enterprise Fund
- FinDev Canada
- Fortunis Capital
- Franklin Templeton Social Infrastructure Fund
- Global Impact Investing Network (GIIN)
- Harmonized Indicators for Private Sector Operations (HIPSO) members
- IDB Invest
- ILX Management
- Incofin Investment Management
- International Finance Corporation (IFC)
- Leapfrog Investments
- Mirova
- Nuveen
- Omnivore VC
- Phatisa Fund Managers L.L.C.
- Quona Capital
- Small Enterprise Assistance Funds (SEAF)
- The Osiris Group
- The Private Infrastructure Development Group
- TriLinc Global, LLC
- U.S. International Development Finance Corporation (DFC)
- WaterEquity
- Water.org

We call on other impact investors to join.

DISCLAIMER: Participants understand that this invitation to join other concerned investors does not represent or entail any representations, warranties or any other undertakings or binding legal obligations with respect to the activities contemplated in this document. Similarly, participants understand that their participation does not impede or limit their responsibility to comply with any Environmental, Social and Corporate Governance (ESG) or other requirements applicable to them.