Research Paper

Impact Measurement and Management for Ethical Finance Providers

Barbara Scheck

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The paper is based on three workshops which took place on April 8, May 14, and June 10, 2024 with FEBEA members.

This paper is written by Barbara Scheck

Barbara Scheck works at the European Center for Social Finance, which delivers Technical Assistance services on behalf of FEBEA. She is Professor for Entrepreneurship at Munich Business School and has been active in the field of social finance since 2007. Her work focuses on the financing of social enterprises, impact and mission-related investing and impact assessment.

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1. Introduction

Impact measurement and management (IMM) is paramount for ethical finance providers to ensure they deliver on their claim to generate positive social and environmental impacts. The field of IMM has evolved significantly over the last decade, making it easier to identify risks as well as social and environmental impacts. However, articulating and quantifying these impacts remains challenging, and many ethical finance providers struggle with the concept and its implementation.

This paper is based on three workshops that have been organized by FEBEA on the topic of impact measurement and management. Important parts of these workshops were the exchanges and discussions between participants and trainers. These dialogues have informed the paper at hand. Consequently, it will address three parts of IMM for ethical finance providers:

Part one will focus on enabling ethical finance providers to craft actionable impact theses from their mission statements. Most organizations have formulated high-level visions and missions. Translating the organizational missions into impact theses, however, seems to be more challenging but is essential for the development of an effective IMM system. By making the intentionality of their activities explicit and framing them in a theory of change, ethical finance providers create an impact thesis for their organization laying the ground for impact measurement and management of their operations.

Part two will focus on the ensuing steps in IMM, namely operationalizing the theory of change and mapping out its details including the definition of indicators and the preparation of data collection.

Part three will then specifically address the topic of measuring Greenhouse Gas (GHG) Emissions of ethical finance providers. With climate change being one of the most pressing and worrying issues of our time and regulators increasing their demands towards the financial services industry, it is important for ethical finance providers to understand how they can assess the emissions of their portfolio organizations and/or lenders as well as their own carbon footprint. This should be done while also acknowledging the wider range of environmental issues (e.g., biodiversity and resource use) associated with human activities and ideally getting equipped to also address them in the longer term.

2. Relevance of IMM for social and ethical finance providers

The primary challenges associated with social housing across European countries include hoUnderstanding impact measurement involves several key components: Inputs include resources such as money, time, and in-kind contributions. These inputs lead to outputs, direct measurable results which can be quantified, such as the number of lives touched, the number of activities conducted or institutions involved. The outcomes are often described in terms of the immediate changes resulting from the outputs. Finally, the impact refers to the long-term effects of these outcomes. It is important to note, however, that there are different definitions of outcomes and impacts and that there needs to be a causal relationship between outputs and the changes they incur.

For investors and funders, IMM serves several crucial purposes. It helps improve the performance of their impact by providing clear metrics and insights. This, in turn, enables them to make more informed investment decisions, ensuring that their resources are allocated effectively. Additionally, IMM enhances the financial performance of their portfolios by identifying and supporting high-impact initiatives. It also helps in avoiding mission drift, ensuring that investments remain aligned with their core values and objectives.

Furthermore, it ensures accountability by providing transparent reporting on the outcomes and impacts of their investments.

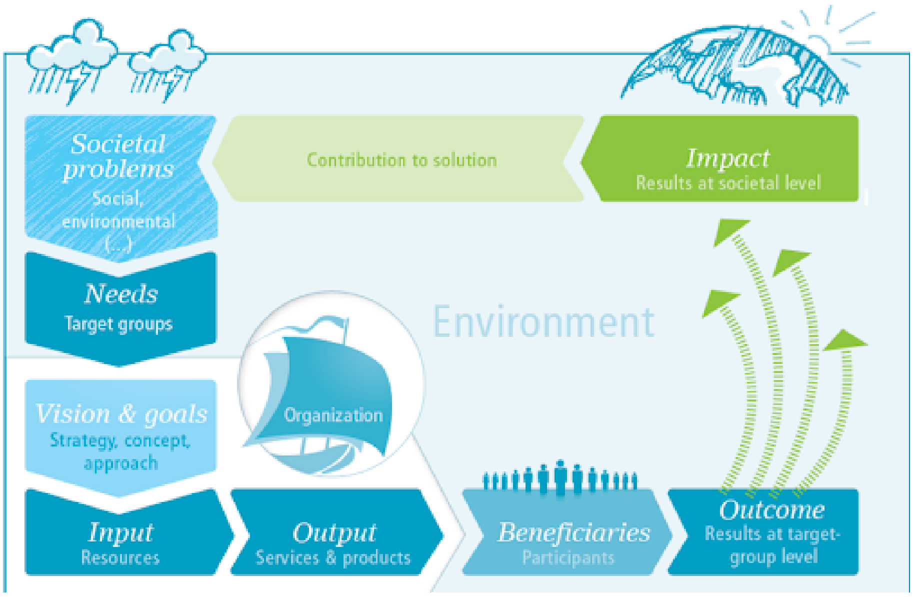
For investees or clients, IMM offers several benefits as well. It facilitates strategic alignment and risk mitigation by providing a framework to evaluate and manage potential risks. It also increases operational effectiveness by highlighting areas for improvement and best practices. Complying with external requirements becomes more straightforward with a structured impact assessment process, ensuring that organizations meet necessary regulations and standards. Lastly, impact assessment supports communication and marketing efforts by providing credible data and success stories to share with stakeholders and the public.

Ethical finance providers benefit significantly from adhering to ethical principles and good governance. These practices are at the foundations of their credibility and ensure that their operations align with their core values. Their impact is thus twofold - through how they operate as well as through funding organizations addressing certain societal or environmental topics.

3. Defining a problem statement

A first step in translating a broader organizational vision and mission into an actionable impact thesis is for the organization to formulate a so-called problem statement. A problem statement is a concise description of an issue that needs to be addressed or a condition that needs improvement. It identifies the gap between the current state and the desired state, highlighting the specific aspects of the problem that are being targeted. A well-crafted problem statement includes the following components:

- Context and Background: Provides relevant information to understand the problem's setting and significance.
- Specificity: Clearly defines the problem in precise terms, avoiding vague language.
- Impact: Describes the consequences of the problem on stakeholders, resources, and systems.
- Root Causes: Identifies the underlying factors contributing to the problem.
- Desired Outcome: Outlines the goals or conditions that signify the problem's resolution.



A problem statement serves as a foundation for developing impact strategies, guiding impact analysis, and aligning efforts to achieve effective solutions.

A first step when formulating a problem statement is to clearly identify and articulate the core social or environmental issues an organization aims to address. This involves conducting thorough research to understand the root causes, affected populations, and the broader impact of these issues. It should reflect the organization's values and mission, emphasizing the ethical and social dimensions of the problem. Additionally, the statement should outline the urgency and relevance of the issue, engaging stakeholders by illustrating the potential benefits of addressing the problem. By doing so, ethical finance providers can ensure their initiatives are focused, impactful, and aligned with their overarching values.

Possible resources that can be used when developing the problem statement are Eurostat's SDG Database or SDG-Dashboards to understand the specific situation in a country in more detail.

Example: Problem Statement of an Ethical Finance Provider providing loans to low-income communities

Despite significant advancements in economic development, many low-income communities continue to face substantial barriers to accessing affordable financial services. Traditional financial institutions often overlook these communities due to perceived risks and lack of profitability. This exclusion perpetuates a cycle of poverty, limiting opportunities for economic mobility and sustainable development.

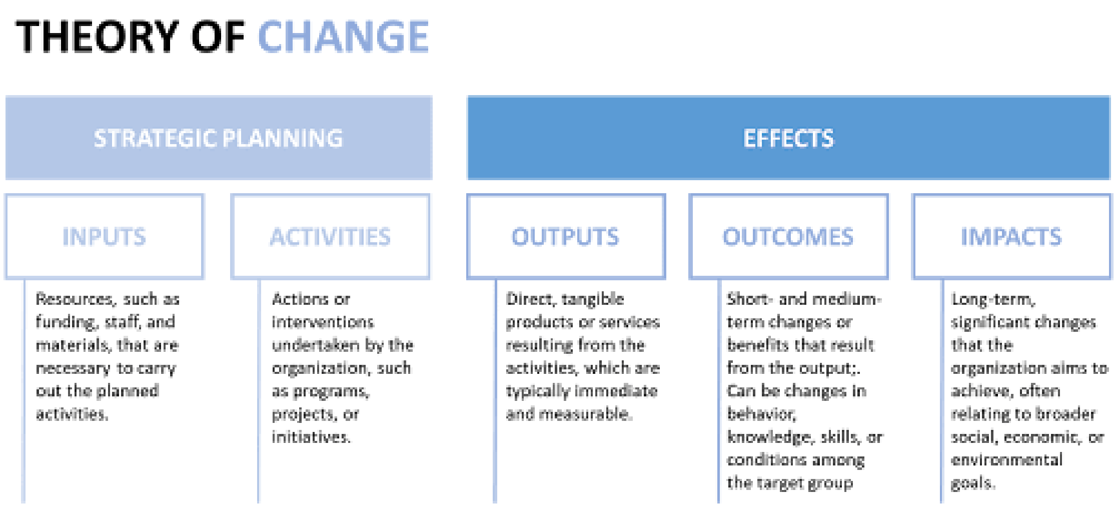
Low-income families struggle with limited access to credit, savings accounts, and insurance, making it difficult for them to manage financial emergencies, invest in education, or start small businesses. This gap in financial inclusion not only hinders individual and family well-being but also stifles broader community growth and resilience.

An ethical finance provider must address these challenges by offering tailored financial products and services that meet the unique needs of underserved populations. By leveraging innovative approaches and building strong community partnerships, the provider aims to enhance financial inclusion, empower individuals, and contribute to the socio-economic upliftment of marginalized communities.

4. Defining a Theory of Change

In a next step, the organization's response to the above-mentioned problem statement should be mapped out. The approach or problem-solving mechanisms is also called logic model or theory of change. A Theory of Change (ToC) is a comprehensive framework used by organizations to map out the pathway from their activities to the achievement of their long-term goals. It outlines the process of change by detailing the causal links between inputs, activities, outputs, outcomes, and impacts. The key components of a Theory of Change are:

- Inputs: Resources, such as funding, staff, and materials, that are necessary to carry out the planned activities.
- Activities: Actions or interventions undertaken by the organization, such as programs, projects, or initiatives.
- Outputs: Direct, tangible products or services resulting from the activities, which are typically immediate and measurable.
- Outcomes: Short- and medium-term changes or benefits that result from the outputs. These can be changes in behavior, knowledge, skills, or conditions among the target population.
- Impacts: Long-term, significant changes that the organization aims to achieve, often relating to broader social, economic, or environmental goals.



A Theory of Change also includes the following elements:

- Assumptions: Hypotheses about how and why the change process will occur, which underpin the logic of the ToC as well as roadblocks and barriers that need to be overcome to achieve the intended change.
- Context: The external environment and conditions that can influence the success of the ToC.
- Indicators: Metrics used to measure progress and the effectiveness of the activities, outputs, outcomes, and impacts.

Example: Theory of Change

Example: Theory of Change
Goal: To enhance financial inclusion and socio-economic upliftment of low-income communities by providing tailored financial products and services.

Inputs:

- Financial resources, including initial funding and ongoing investment
- Skilled staff with expertise in finance, community engagement, and social impact
- Technology and infrastructure to support innovative financial solutions
- Partnerships with local community organizations and stakeholders

Activities:

1. Conduct community needs assessments to understand the specific financial challenges faced by low-income populations
2. Develop and offer affordable financial products such as microloans, savings accounts, and insurance tailored to the needs of underserved communities
3. Implement financial literacy and education programs to empower individuals with the knowledge to manage their finances effectively
4. Establish and maintain partnerships with local organizations to facilitate outreach and build trust within the community
5. Monitor and evaluate the impact of financial products and services to continuously improve offerings and outcomes

Outputs:

- Increased number of low-income individuals accessing financial products and services
- Enhanced financial literacy and education among community members
- Strengthened partnerships with community organizations
- Regular reports and feedback on the effectiveness and impact of financial products

Outcomes:

- Short-term: Improved access to affordable financial services for low-income individuals
- Medium-term: Enhanced financial stability and resilience among community members, leading to increased savings, reduced debt, and better financial planning
- Medium-term: Empowered individuals with the skills and knowledge to make informed financial decisions

Impacts:

- Long-term: Significant reduction in financial exclusion and poverty within target communities
- Long-term: Increased economic mobility and opportunities for low-income families, contributing to sustainable community development
- Long-term: Greater social and economic resilience, leading to overall improved quality of life for community members

By clearly articulating these components, a Theory of Change provides a roadmap for planning, implementing, and evaluating programs. It helps organizations to clarify their objectives, identify necessary resources, and track progress towards their goals. Moreover, it fosters transparency and accountability by making explicit the logic and evidence behind their strategies and interventions.

IRIS+ Checklist for a Theory of Change:

- Describe the problem you are trying to solve through your investment strategy or your business strategy
- Describe the key stakeholders you are aiming to affect through your strategy
- Describe your entry point to creating impact for key stakeholders - people and/or planet
- Describe the steps needed and the assets you will allocate to address the problem and create impact
- Describe any limitations to your theory
- Describe the short-term and long-term change(s) you see as your goal
- Describe the expected measurable effects - positive and negative, near- and long-term - of your strategy

Source: Simple Theory of Change Checklist | IRIS+ System (thegiin.org)

5. Determining impact indicators

Once the Theory of Change has been mapped out, indicators need to be determined to assess how far the organization has come in achieving its vision. Indicators are measurable variables used to represent the change achieved in terms of outputs, outcomes, or impacts. They are typically linked to the intervention's overall objectives and aim to illustrate the extent to which these have been reached. Indicators can be qualitative or quantitative. Qualitative indicators are suited for understanding changes in attitudes, motivation, or behaviors, providing high explanatory value despite being relative and subjective. Quantitative indicators, on the other hand, explain phenomena numerically (e.g., how many, how much, how often) and offer objectivity and comparability, although they may capture only certain aspects of social impact and struggle to depict attitudes or feelings comprehensively.

When developing indicators, it is recommended to use the SMART criteria (Specific, Measurable, Achievable, Relevant, Time-bound) and consider quality (the type of change), quantity (the scope of change), and time (the timeframe for the change). Experience shows that multiple indicators are usually needed to reflect societal changes adequately. However, too many indicators can be difficult to assess and manage. Therefore, focusing on the most important indicators, known as key performance indicators (KPIs), and deriving a manageable set of indicators at the output, outcome, and, if feasible, impact levels is advisable.

The Global Impact Investing Network (GIIN), in collaboration with Acumen, the Rockefeller Foundation, and B Lab, has developed the Impact Reporting and Investment Standards (IRIS). While originally developed for impact investors, donors and funders can also use the metrics developed by the initiative to get inspiration for possible indicators for their endeavors. IRIS provides a comprehensive catalogue of standardized financial, operational, and social metrics that investors and banks can use to track their investments (https://iris.thegiin.org/metrics).

Example: Ethical Finance Provider
Output Indicators

1. **Number of Financial Products Issued:** Measure the total number of microloans, savings accounts, and insurance policies provided to low-income individuals and SMEs within a specific timeframe.
2. **Participation in Financial Literacy Programs:** Track the number of community members who attend and complete financial literacy and education programs.

Outcome Indicators

1. **Increase in Savings Rates:** Measure the percentage increase in savings among community members who have accessed the financial services.
2. **Improvement in Financial Knowledge:** Assess the improvement in financial literacy scores of participants before and after attending the financial education programs.

Impact Indicators

1. **Reduction in Poverty Levels:** Measure the change in the poverty rate within the target communities over a specified period, indicating economic upliftment.
2. **Economic Mobility:** Track the percentage of individuals who move out of the low-income bracket and improve their socio-economic status as a result of the financial services provided.

6. Data collection and data analysis

In a last step, the data on the defined indicators needs to be collected and analysed. With regard to data collection methods, these can range from more qualitative approaches (i.e., case studies, interviews, focus groups) to more quantitative methods (standardized surveys or randomized control trials). **The choice of data collection method depends on various factors incl. the overall resources and capacity available for data collection, the possibilities of access to data or the characteristics of the target population and ethical considerations.**

7. Reporting and Accounting of Greenhouse Gas Emissions

Climate change is one of the biggest issues of our time. **Climate change is mainly driven by the emission of Greenhouse Gases (GHG),** which include carbon dioxide, methane, nitrous oxide and fluorinated gases. These gases are emitted - among others - through the burning of fossil fuel (e.g., for mobility or energy production purposes), deforestation, cement production, or through agricultural practices. Consequently, one of the main strategies to mitigate climate change is to reduce these emissions. At the same time, these strategies also help to reduce pollution and waste. **Options for reducing emissions can be clustered within three main categories** (Akenji et al., 2021): 1) improve is about improving the efficiency (e.g., kg of emissions per unit of product) of the way in which the goods and services people consume are produced (e.g., a more efficient personal vehicle with a higher mileage); 2) shift is about changing the goods and services people use to satisfy their needs (e.g., preferring public transport over personal vehicles); 3) avoid is about stopping to use the goods and services people use and might imply radical changes in the wider societal systems and structures (e.g., reducing the need to travel long distances as accessibility to services is increased by redefining/reshaping our living spaces).

Reporting and accounting of GHG emissions for ethical finance providers has two dimensions: One is the **assessment of the GHG emissions produced by the organizations in their investment or loan portfolios** or the assessment of how much emissions these organizations have helped to avoid. The second one concerns the **assessment of the ethical finance providers' own CO2 emissions as an organization.**

Assessing GHG emissions of a portfolio

For a financial institution, the impact of its activity, whether ecological or social, lies in its financing activities. Thus, its carbon impact is a portion of that of the enterprises it finances. The drivers for measuring the GHG emissions of a finance provider's portfolio are mainly driven by **regulatory requirements** as well as by **accountability considerations** that should support ethical finance providers in better understanding their activities related to the topic.

One major regulation on the European level is the Corporate Sustainability Reporting Directive (CSRD). Designed by the European Union, it is meant to enhance and standardize sustainability reporting among companies. CSRD applies to large companies that meet at least two of the following criteria:

- More than 250 employees,
- A net turnover of over €40 million,
- A balance sheet total exceeding €20 million.

Additionally, it also applies to listed small and medium-sized enterprises (SMEs). The directive requires these companies to disclose comprehensive and comparable information on how sustainability issues impact their business and how their operations affect people and the environment. This includes detailed reporting on environmental, social, and governance (ESG) factors, ensuring transparency and accountability in corporate sustainability efforts. The **goal is to provide stakeholders with consistent, reliable data to inform investment and business decisions**, ultimately driving a transition to a more sustainable economy.

With regard to disclosure requirements for environmental information, Commission delegated regulation (EU) 2023/2772 requires reporting on the topics of climate change, pollution, water and marine resources, biodiversity and ecosystems as well as resource use and circular economy.

The methodological standard of how to report on these topics is the Greenhouse Gas (GHG) Protocol (Homepage | GHG Protocol). The GHG protocol is a globally recognized framework for measuring and managing greenhouse gas emissions from private and public sector operations, value chains, and mitigation actions. Developed through a partnership between the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), the GHG Protocol establishes comprehensive guidelines to assist organizations in quantifying and reporting their GHG emissions.

The protocol entails several key components:

1. **Corporate Standard:** This standard guides companies in preparing a GHG emissions inventory that covers direct and indirect emissions across their value chains. It divides emissions into three scopes:
    - **<u>Scope 1:</u>** Direct emissions from owned or controlled sources.
    - **<u>Scope 2</u>:** Indirect emissions from the generation of purchased electricity, steam, heating, and cooling consumed by the reporting company.
    - **<u>Scope 3:</u>** All other indirect emissions that occur in the value chain of the reporting company, including both upstream and downstream emissions.

Financed emissions of financial institutions are scope 1 and 2 (+3) of financed projects or borrowers.

In addition, the GHG protocol comprises:

2. **Project Protocol:** This component provides a framework for quantifying and reporting reductions from GHG mitigation projects, ensuring consistent accounting and reporting of these efforts.
3. **Supply Chain Standard:** It focuses on managing GHG emissions within the entire supply chain, enabling organizations to identify significant emissions sources and implement strategies to reduce them.
4. **Product Standard:** This standard assists in assessing the GHG emissions associated with the full life cycle of a product, from raw material extraction to disposal.

The GHG Protocol's comprehensive approach ensures that **organizations can systematically measure and manage their carbon footprint, enhance transparency, and drive efforts towards reducing emissions**, ultimately contributing to global climate change mitigation.

Building on the GHG Protocol, The Partnership for Carbon Accounting Financials (PCAF) is an industry-led initiative that **aims to standardize the measurement** and disclosure of greenhouse gas (GHG) emissions financed by loans and investments in the financial sector. Launched in 2015, PCAF provides a framework for financial institutions across seven different asset classes to assess and report the carbon impact of their portfolios, thereby aligning their activities with global climate goals.

In addition to the scope of emissions to be measured, which includes direct and indirect emissions (Scope 1, 2, and 3) from financed activities, PCAF introduces the concept of an attribution factor to determine the share of emissions that can be attributed to a financial institution based on its share of financing in a particular project or company. This factor ensures that the emissions are proportionately allocated to the financial institutions involved and is calculated as follows.

$$Attribution\ factor = \frac{Outstanding\ amount}{Company\ value\ or\ Total\ investment}$$

Despite a number of professional service providers that can support financial institutions in assessing the GHG footprint of their portfolios a number of challenges remain:

- **Data Availability and Quality:** Accurate carbon accounting requires comprehensive, high-quality data on emissions from borrowers and investees. However, many companies, especially smaller ones or those in less regulated markets, do not consistently report their emissions. This lack of reliable data can lead to inaccuracies in assessing the carbon footprint.
- **Complex Value Chains:** Financial service providers often invest in or lend to companies with complex, global supply chains. Tracing and quantifying emissions throughout these extensive networks can be difficult, particularly for Scope 3 emissions, which include all indirect emissions not covered in Scope 1 and Scope 2.
- **Methodological Differences:** While standardized methodologies like those provided by PCAF are increasingly adopted, differences in accounting practices still exist across regions and sectors. These discrepancies can lead to inconsistencies in carbon footprint assessments and make it challenging to compare results across different financial institutions.
- **Attribution Challenges:** Determining the share of emissions to attribute to a financial institution, especially in syndicated loans or large investment portfolios with multiple financiers, can be complex. The use of attribution factors helps, but precise allocation remains challenging.

- **Changing Regulatory Landscape:** The regulatory environment around carbon accounting and climate disclosures is evolving. Financial institutions must continuously adapt to new requirements and guidelines, which can create uncertainty and require ongoing adjustments to their carbon accounting processes.
- **Lack of Standardized Reporting:** Even with initiatives like PCAF, there is no universal standard for carbon accounting in the financial sector. Different institutions may use varying assumptions, timeframes, and boundaries in their assessments, leading to potential discrepancies in reported emissions.
- **Transition Risks:** Assessing the carbon footprint of portfolios also involves understanding the transition risks associated with moving towards a low-carbon economy. Financial institutions need to evaluate how climate policies, market changes, and technological advancements will impact their clients' emissions and, consequently, their own carbon footprint.

Engagement and Influence: Financial institutions often lack direct control over the emission reduction strategies of their borrowers and investees. Encouraging and influencing companies to improve their carbon reporting and reduce emissions can be a significant challenge, requiring sustained engagement and collaborative efforts.

Assessing GHG emissions of your own organization

Although a smaller share of the overall emissions of a financial service provider, the organization itself - e.g., through the daily, job-related activities of its employees - is also emitting greenhouse gases that it should account for. One approach to do so, is the Hot or Cool Institute’s 1.5-degree lifestyles initiative.

The 1.5-Degree Lifestyles project by the Hot or Cool Institute aims to align individual consumption patterns (i.e., the lifestyle carbon footprint) with the Paris Agreement's goal of limiting global warming to 1.5 degrees Celsius. Through comprehensive research, the project identifies sustainable lifestyle choices in areas like food, housing, mobility, and consumer goods, and provides actionable pathways for reducing carbon footprints. It emphasizes behavioral change, offers policy recommendations for systemic support, and tailors strategies to diverse global contexts. The project collaborates with various stakeholders to raise awareness and foster a global movement towards sustainable lifestyles.

For ethical finance providers, the 1.5-degree approach offers the solutions to:

- *help the organizations to understand root causes of their own footprint* and start the internal process to find sustainable solutions together with the employees. An online tool, the Lifestyle test, with a carbon footprint calculator, personalized climate actions, and data analysis tools can be used for individuals to adopt sustainable lifestyles by guiding consumption to reduce their carbon footprint. The Lifestyle test can be tailored to measure an individual's lifestyle carbon footprint in a specific region or within an organization.
- *direct the capital into climate actions by understanding the most impactful options in climate change mitigation* but also by promoting and pushing companies to provide such solutions. In the future this role can be even more significant as adaptation requires major investments to our current socio-technical infrastructure to provide low-carbon, wellbeing societies.
- *understand the potential investment opportunities* as the lifestyle test gives information of the barriers people face when trying to move towards sustainable lifestyles - what are the missing levers transforming our societies. On Hot or Cool's website, the institute provides a variety of research reports and additional resources on the topic. The PS Lifestyle test with carbon footprint calculator and personalized climate actions is available online [here].

HotorCool

Click to access the Hot or Cool website

Outlook and next steps

As the field of ethical finance continues to evolve, the imperative for robust Impact Measurement and Management (IMM) frameworks becomes increasingly critical. The challenges identified in earlier sections, including the complexity of translating mission statements into actionable impact theses and the difficulty in accurately quantifying impacts, underline the need for enhanced methodologies and tools. To navigate these challenges and enhance the effectiveness of IMM practices, several next steps are proposed:

1. **Integration of Advanced Technologies:** Ethical finance providers should look towards integrating advanced data analytics, artificial intelligence, and blockchain technologies. These tools can provide more accurate data collection, real-time impact monitoring, and enhanced transparency for stakeholders.
2. **Development of Standardized Metrics:** There is a pressing need to develop and adopt standardized metrics that can be used universally across the ethical finance sector. This standardization will allow for more consistent reporting, comparison, and benchmarking of impacts across different organizations and projects. Enhanced stakeholder engagement can be a mechanisms through which to contribute to impact definition.
3. **Capacity Building and Training:** Continuous training programs should be established to equip staff and stakeholders with the necessary skills and knowledge to effectively implement and manage IMM systems. This includes training on new technologies, understanding complex metrics, and best practices in data reporting.
4. **Enhanced Stakeholder Engagement:** Engaging a wider range of stakeholders in the IMM process can provide diverse perspectives that enrich impact assessment and management. This should include investors, clients, community representatives, and regulatory bodies.
5. **Regulatory and Policy Advocacy:** Ethical finance providers should actively participate in shaping regulatory frameworks that govern IMM practices. Advocacy for policies that support rigorous impact reporting and transparency can drive the entire sector towards higher standards of accountability and effectiveness.
6. **Focus on Long-term Impact Studies:** To truly understand the outcomes and impacts of their initiatives, organizations should invest in long-term impact studies. These studies will help track the sustained effects of their investments and adapt strategies accordingly.

6. **Collaboration and Partnership Building:** Collaborating with academic institutions, technology developers, and other financial institutions can lead to the development of innovative solutions and improvement in IMM practices. Such partnerships can also facilitate shared learning and resource pooling.
7. **Review and Adaptation of IMM Strategies:** Regular review and adaptation of IMM strategies are necessary to ensure they remain relevant and effective in meeting the evolving demands of the market and regulatory environment.

By focusing on these strategic areas, ethical finance providers can enhance their impact measurement and management practices, thereby ensuring that their operations not only align with but also effectively promote their social and environmental objectives.

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FEBEA
EUROPEAN FEDERATION OF ETHICAL AND ALTERNATIVE BANKS AND FINANCIERS
FÉDÉRATION EUROPÉENNE DES FINANCES ET BANQUES ÉTHIQUES ET ALTERNATIVES

FEBEA - the European Federation of Ethical and Alternative Banks and Financiers - is a non-profit association based in Brussels. It gathers 34 financial institutions whose aim is to finance social and solidarity economy (SSE) and projects with social, environmental and cultural value in 17 European countries, serving more than 700,000 people.

Its objective is to support the exchange of experiences and promote cooperation between social economy and social finance practitioners.

Each FEBEA member is integrated in the SSE Sector in its country, focusing on mobilising savings and equity from responsible citizens and using these funds to finance sustainable development and local communities. FEBEA is member of GSEF, the European Commission's expert Group on Social Economy and Social Entrepreneurship and of Social Economy Europe, the main European network of social economy practitioners.

FEBEA members finance:

- The creation of jobs, social employment in particular;
- Social enterprises and social economy;
- The non-profit sector and participatory economics;
- New forms of social entrepreneurship;
- People or groups of people who are victims of social or professional exclusion or are unbanked;
- Sustainable development: renewable sources of energy, organic farming, biodiversity, etc.;
- International solidarity and fair trade.

Rue des Alexiens 16/B - 1000 - Brussels - Belgium

febea.org

@FEBEAethicalfin

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