



IMPACT ANNUAL REPORT FY 2023

GLOBAL CENTER IMPACT TEAM

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INTRODUCTION

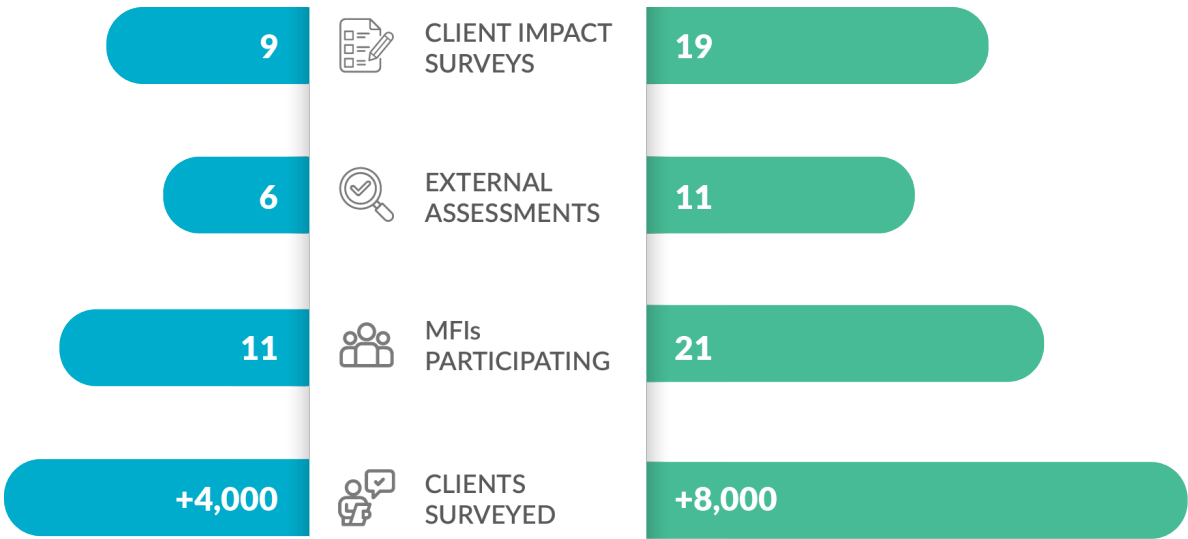
The strategic ambition of **Our Livelihoods Promise**, VisionFund’s ten-year strategy, is to reach 30 million children by 2030. *This aspiration requires the organisation to achieve scale through different channels and strategic partnerships with a focus on measuring the performance based on the impact it makes in the lives of children, families, and communities.* This report presents new evidence of impact during 2023.

By 2030, VisionFund intends to have 100% of its Global Network of Microfinance Institutions showing evidence of the quality of change in the lives of the clients and the children they care for. This will enable VisionFund to make evidence-based decisions both globally and locally to broaden and deepen its impact on clients, and provide positive outcomes for children, as their caregivers increase their income and strengthen their economic foundation.

At the close of FY22, VisionFund had completed nine client impact surveys; two external assessments of recovery lending, and four external assessments of FAST- Finance Accelerating Savings Groups Transformation. Building on this momentum and the foundation that has been laid in the last two years, in FY23 VisionFund completed 19 client impact surveys, six external evaluations of FAST, and five MFI evaluations of impact performance in the Global Microfinance Index. From these 30 evaluations, over 8,000 clients were interviewed, and they support more than 18,000 children.

FY 2022

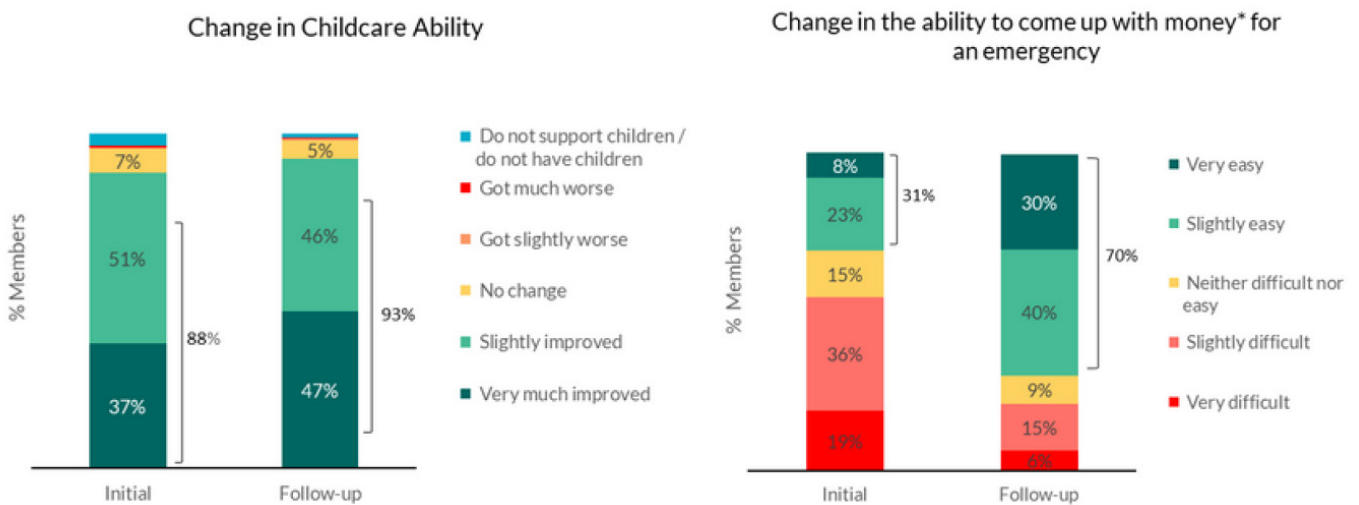
FY 2023



EXTERNAL ASSESSMENTS

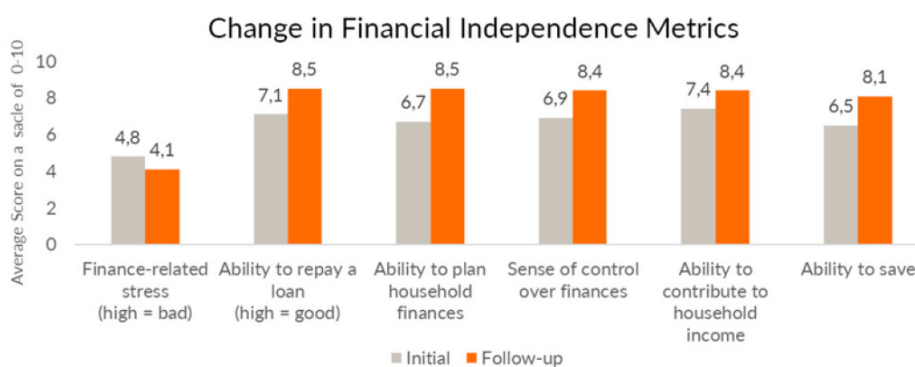
FAST Product Evaluations

VisionFund partnered with 60 Decibels to assess the impact of the FAST - Finance Accelerating Saving Group Transformation product on savings group members in Africa. The study involves an initial survey at the beginning of the loan cycle and a follow-up survey with the same respondents one month after the savings group loan cycle and share-out. The study's objective is to understand the impact of savings group members' access to a cashbox loan made possible by VisionFund. In FY23, initial and follow-up evaluations were conducted in Rwanda, Uganda, and Zambia, while an initial survey was done in Ghana.



Two findings that stood out from the surveys were the savings group members' ability to care for their children and the clients' ability to come up with money for an emergency. In the initial study, 37% of members reported their ability to care for their children had 'very much improved' and the follow-up showed a 10% increase in members' ability to care for their children with 93% of the group members experiencing some improvement. Additionally, in the initial study, only 8% of members reported they find it 'very easy' to come up with money for an emergency expense. After the loan cycle ended, the % of members who can very easily fund an emergency expense increased to 30%.

*Emergency money is represented by 1/20th GNI per capita in the country



Members interviewed in the follow-up survey report improvements across all financial independence and self-efficacy metrics as compared to the initial study. On a scale of 1-10, where 0 is very low and 10 is very high, members were asked their financial situation in 6 financial independence metrics. The chart on the left summarizes the results.

The results of the follow-up surveys in the three countries confirm that VisionFund is enabling savings group members to transform their lives and their children's, improve their financial independence, and become more financially resilient.

EXTERNAL ASSESSMENTS

Microfinance Index

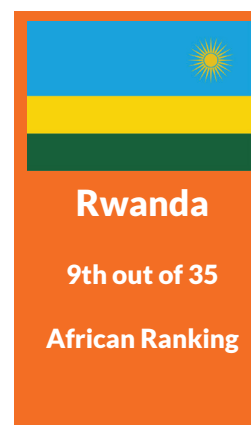
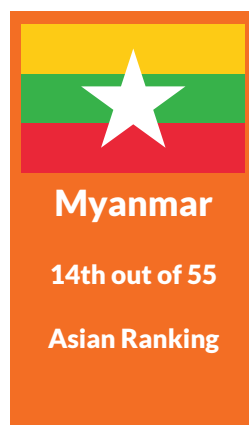
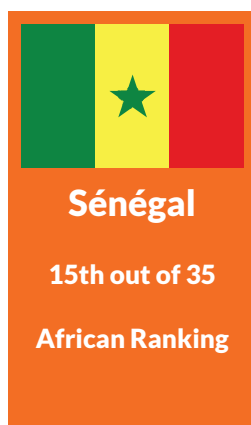
In 2023, VisionFund had five MFIs participate in the 2023 Microfinance Index, a global initiative by 60 Decibels that provides comparable impact data for the microfinance industry, driven entirely by client voices. Through this study, Financial Service Providers (FSP) like VisionFund can benchmark their impact performance against hundreds of FSPs around the world and measure client-level outcomes across six dimensions of impact – access to loans, business impact, household impact, client protection, resilience, and agency.

Below is a summary of the key results from over 1000 clients from Mexico, Myanmar, Rwanda, and Senegal (all percentages are reported at the portfolio level):

- **Access to Loans** - 65% of clients report not having prior access to a loan before VisionFund.
- **Business Impact** - 33% report their income from their livelihood has 'very much increased' and 13% say their paid employees have increased.
- **Household Impact** - 35% say their lives have very much improved. Furthermore, 25% say the number and quality of meals their family eats has very much improved and 82% say their savings have either slightly increased or very much increased.
- **Client Protection** - 90% report never reducing their household's food consumption in order to make repayments. 91% say they have never experienced an unexpected charge or fee from VisionFund.
- **Resilience** - 41% report their ability to manage finances has very much improved. 29% say their ability to face an emergency expense has very much improved because of VisionFund.
- **Agency** - 41% say their ability to achieve a financial goal has very much improved because of VisionFund. Additionally, 47% say that their confidence in themselves and their abilities has very much increased. Finally, 35% say their ability to make decisions on what to do with their money without consulting their spouse or another adult has very much increased.

Microfinance Index Ranking Explained:

Each MFI was ranked by 60 Decibels using their index score. The index score is based on the average performance across the 6 dimensions above. The index scores are relative to the geographies each MFI operates in. Since client outcomes vary across geographies, 60 Decibels have done the rankings at the regional level to allow for fair comparisons.

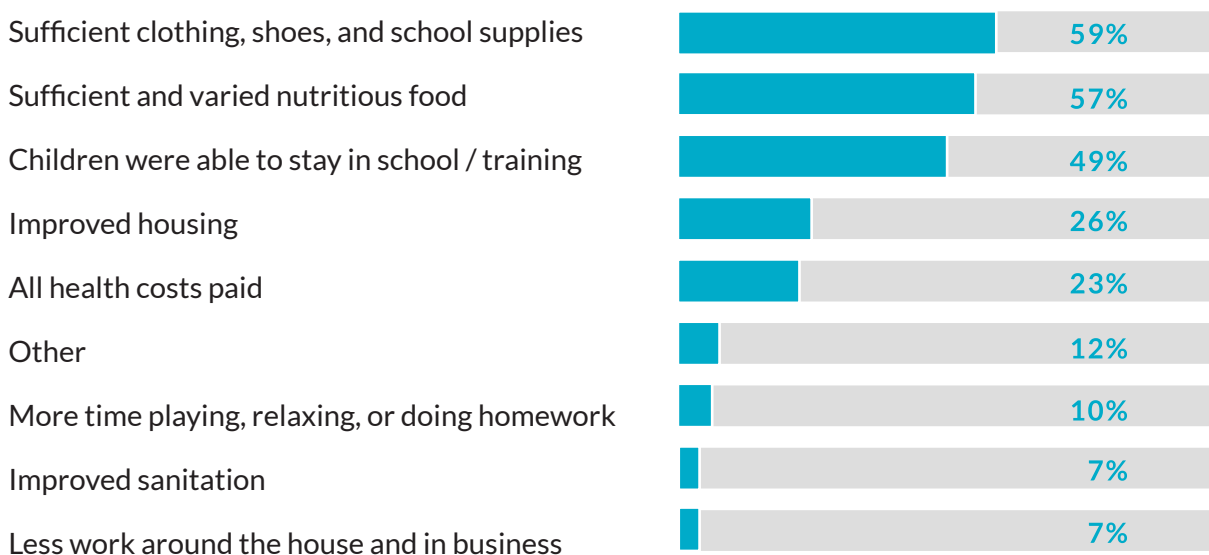


INTERNAL ASSESSMENTS

Client Impact Survey

The internal client impact survey is a standardised tool for the VisionFund Network that allows the organisation to understand impact on a country, regional and global level and to align the organisation around seven outcome indicators. The seven indicators are: Change to the client's quality of life, Benefits to children (Child Well-Being Outcomes), Change to control over finances, Ability to achieve personal goals, Sense of spiritual empowerment, Poverty outreach (PPI), and the Net Promoter Score (likelihood to recommend VisionFund). In 2023, the survey was conducted by 19 MFIs covering over 5,400 clients, 81% of whom have children under their care.

Child Well-Being Outcomes



Through their VisionFund loan, 59% of clients report their children now have sufficient clothing, shoes, and school supplies.



Client Impact Survey Findings:

81%
of VisionFund clients supporting children

+5M
Brighter futures for 5.2M children, whose caregiver has a loan through VisionFund

Impact Database

In April 2023, VisionFund launched the cloud-based Impact Database which serves as the repository of all the MFIs' standardised impact survey data. The database consolidates the survey data from Kobo Toolbox and is also linked to the Impact Dashboard in PowerBI for a seamless reporting, analysis, and visualisation of the results globally, regionally, and at country-level. In the future, the database will be leveraged to store other thematic impact assessments in the VFI Network. As of September 2023, there are 19 MFIs whose impact survey data are included in the database.



43%

of clients reported their income had 'very much improved' because of the loan

48%

of clients reported they fully achieved their financial goals with the loan

91%

of clients reported their quality of life had improved

UNDERSTANDING EVIDENCE

Actionable Insights

VisionFund now has more evidence of impact than any other time since its inception 20 years ago, and different teams at the Global Centre and within the MFIs are benefiting from it. It is now possible not only to understand the impact of VisionFund's work in transforming lives but also which are the most outstanding indicators or 'what is working' globally, regionally, and locally. The areas that need more focus 'what needs to be improved' are also clearly visible, and MFIs can now do more good and maximise impact through evidence-based decision-making.

The evidence has provided a new basis for actionable insights that are changing the areas in which we work. We are better able to understand the needs of clients, have access to data that informs product design or relaunch, build support and engagement with staff and partners, and improve access to funding for greater impact. Closing the circle of building and using evidence of impact is becoming a reality. After data analyses and contextual interpretations, MFIs started defining actions with their Senior Management Teams to improve specific indicators according to their strategic priorities. We have started seeing the results of these enhanced assessments, as shown in the case example below from Uganda.

In FY23, eight MFIs developed an Action Plan derived from Internal and External Assessments:



Kenya



Philippines



Malawi



Rwanda



México



Sénégal



Myanmar



Uganda

MFIs have developed a communication plan to highlight the impact VisionFund is having in the lives of our clients not only internally but also to external stakeholders to build credibility and strengthen engagement with our ministry.

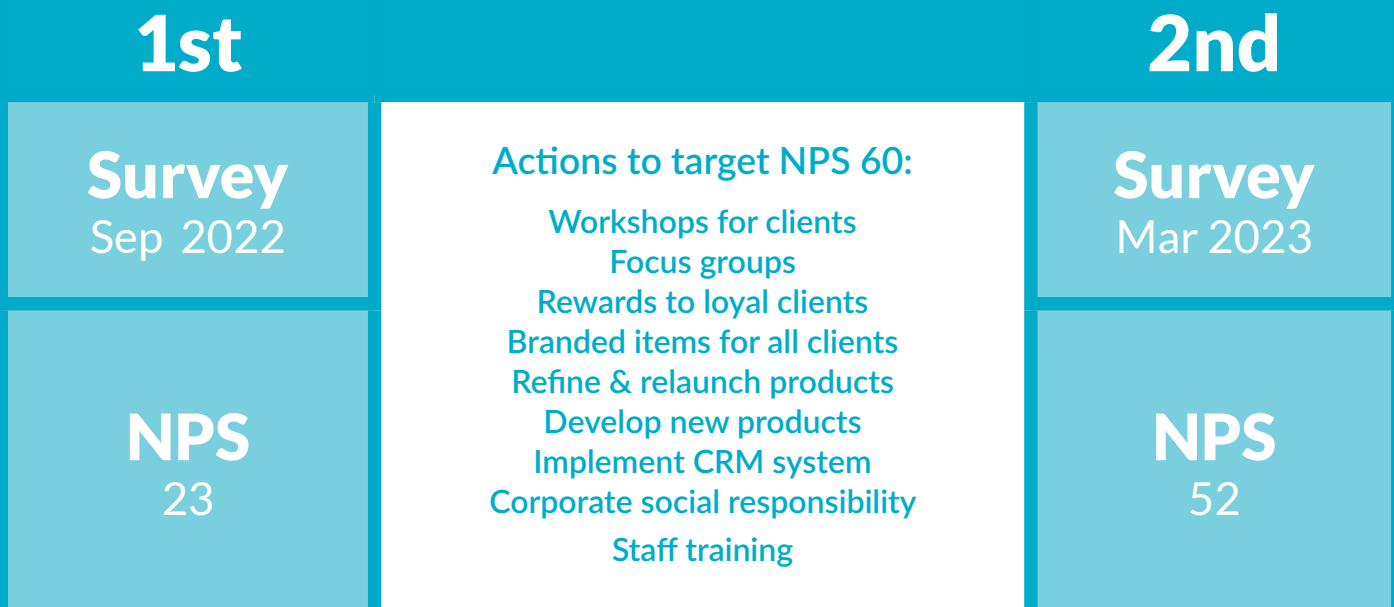


THE CASE OF UGANDA

Closing the Circle: Outcomes After an Action Plan

VisionFund Uganda became the first MFI to implement and closely follow up their FY22 Action Plan. The six-month efforts to improve their Net Promoter Score (NPS) were finally evidenced in the FY23 Client Impact Survey. It is also an example of several areas within an MFI working together to reach their Impact goals.

The NPS is a gauge of client satisfaction and loyalty. It is measured by asking clients to rate their likelihood of recommending VisionFund's service to a friend on a scale of 0-10, where 0 is least likely and 10 is most likely. The NPS is the % of clients rating 9 or 10 ('Promoters') minus the % of clients rating 0 to 6 ('Detractors'). Those rating 7 or 8 are 'Passives'. In the Financial Services industry, the average NPS is 44.



Communications Plan

The outcomes of the action plan brought various stakeholders in alignment with which areas we need to focus on to best serve our clients.



Lenders: summary of results presented during due diligence



Board: summary of results presented in two different meetings



All Staff: the CEO presented a summary of results during a Townhall



World Vision Uganda: the Integration Manager presented a summary of results to the Resilience Technical Program and Livelihoods Team during their monthly meetings



The roadmap towards improving on client experience is a role of everyone.

Mercy Ainomugisha - CEO VisionFund Uganda

IMPACT FOR OTHER AREAS

The Partnership Benefiting from Impact Data

“

Sustained positive impact on the lives of children and their families is what we are aiming for. Therefore it is imperative that we measure our impact, and that the lessons inform the manner by which we calibrate our work. Keep discovering, learning, moving.

- Rommel Caringal - Director Global Operations

“

It's a great opportunity for Regional Heads to model using this for decision making at regional meetings. It will cascade from there for locations slower to use it. I worked for several years putting together industry level events and a good part of my time was scouring the industry for MFIs that collect this data and use it. It was really, really hard to find MFIs doing this. External engagement opportunities will really open up from here.

- Alexis Olsen - Faith and Development Director

“

When presenting our figures to World Vision, we first focus in showing our impact data, they feel like we're speaking the same language and it's a great way to open up for conversations. Our partnership with World Vision is essential as it allows us to work together and in this way, accessing a bigger population of beneficiaries, achieving greater impact. The Microfinance market is increasingly competitive, we need to strengthen our differentiating factor to achieve greater benefits for our clients.

- Eduardo Gutiérrez - Senior Integration Advisor LACRO

“

In the broader inclusive finance industry VFI stands out as one of the very few MFI networks that prioritizes creating positive impact in the lives of our clients. As such, it's critical that we can clearly articulate and quantify the evidence of this impact as not only a matter of integrity, but also as part of our strategy in building partnerships and influencing others towards impact-driven goals and action.

- Christy Stickney - Director of Partnerships

“

Over time, it will become difficult to raise money for countries that cannot demonstrate the impact of funds raised. They will be limiting our ability to raise funds for them. Really glad we are collecting not only quantitative, but also qualitative data.

- Adrian Merryman - Chief Development and Impact Investment Officer



EMPOWERING OUR PEOPLE

Through Capacity Building

One of the core components of the Impact Team’s strategy is to build the capacity within each MFI to capture evidence of impact and conduct internal assessments with the highest quality. This is achieved through providing training and the technological platforms to standardise the methodology for gathering data, reporting, and communicating the evidence of change. In July 2023, the Impact Team facilitated an in-person training in Kampala, Uganda for Impact practitioners in Africa and Asia to equip them with the skills to collect, process, use impact data for decision-making, and to communicate results effectively.

“

We look forward to implementing what we learned so that it will be beneficial to the organisations that we represent. It was a great time. All the participants enjoyed in Kampala. Thank you for taking us through a very lovely impact camp. I look forward for more such impact camps.

– VisionFund India

“

The creation of the surveys in Kobo was great. We can now come up with our own surveys and export the data, clean it, analyze it, and visualize it. The action plan also helps us to communicate our improvements and put the lessons into actions.

– VisionFund Kenya

FY24 AT A GLANCE

What's yet to come?

VisionFund will continue to measure its performance through evidence of lasting change, external and internal Impact evaluations, and assessments of compliance with the Universal Standards for Social and Environmental Performance Management (USSEPM). These are industry standards that ensure clients are at the center of all strategic and operational decisions.

Measuring VisionFund's performance based on the impact it makes in the lives of children, families, and communities remains at the heart of **Our Livelihoods Promise**.

Client Impact Surveys

To be added in FY24: Ethiopia, Ghana, Mali & Sénégal

2024 Microfinance Index

To be added in FY24: Kenya, India & Tanzania

FAST Evaluations

To be added in FY24: DRC, Ghana, Kenya, Sénégal & Tanzania

Social and Environmental Rating

To be added in FY24: Kosovo, Sénégal & Tanzania



OUTREACH & OUTCOMES

Elements in Impact

The Outreach table summarises the headline numbers for the fiscal year ending September 31, 2023. While VisionFund also offers Insurance and Savings products to non-credit clients, the organisation is currently in the process of aligning the data with its respective product teams and will be able to publish the data by the end of FY24.

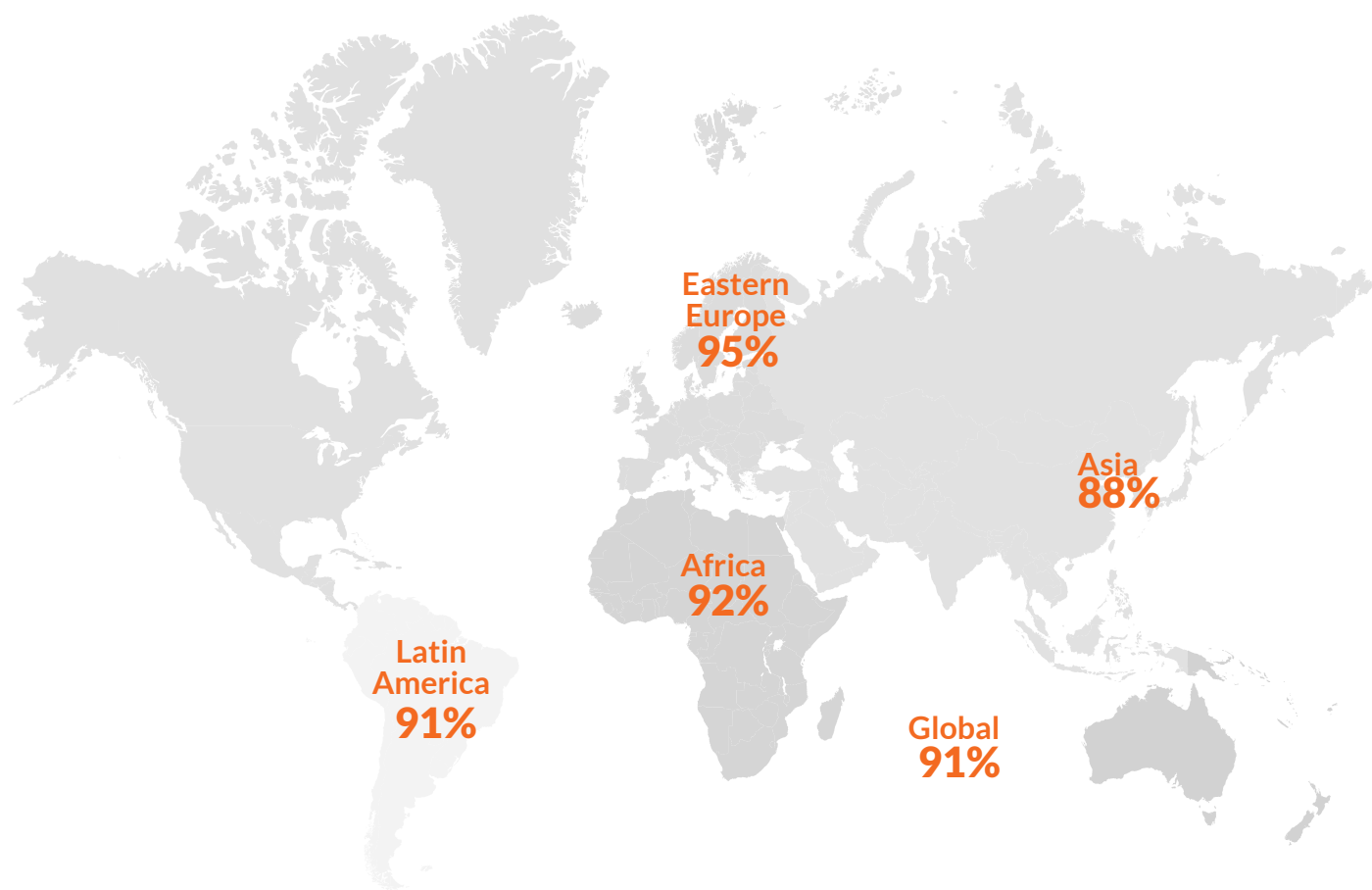
OUTREACH	# Children	# Clients	% Clients Supporting Children	% Women Clients
Africa	4,579,933	628,125	94%	65%
Asia	251,376	167,224	77%	85%
Latin America	318,752	202,312	72%	70%
Eastern Europe	8,523	7,452	79%	45%
GLOBAL	5,158,584	1,005,113	81%	70%

In FY23, VisionFund is also reporting on six of World Vision's impact indicators.

- % microfinance clients reporting increased income
- % credit clients reporting they are able to achieve the goal they set for themselves
- % microfinance clients reporting improved well-being of children in their care
- % microfinance clients living under \$2.15 per day (where unavailable, \$1.90/day is used)
- % microfinance clients reporting improved quality of life
- % microfinance clients reporting that their spiritual beliefs empower them to succeed in life

This Impact data is already obtained through the Client Impact Survey and the Impact Database.

% Clients Reporting Improved Quality of Life per Region



OUTCOMES	% Clients with Improved Quality of Life	% Clients with 'Very much improved' income	% Clients Reporting Improved Child Well-Being	% Clients who Achieved their Goals in Full	% Clients Empowered by their Spiritual Beliefs
Africa	92%	46%	94%	25%	67%
Asia	88%	19%	77%	46%	49%
Latin America	91%	58%	72%	66%	58%
Eastern Europe	95%	72%	79%	85%	43%
GLOBAL	91%	43%	81%	48%	57%

Note: in Outcomes, Eastern Europe is only represented by Kosovo so far.



VisionFund

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