

ACCION

2023
**IMPACT
REPORT**



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COVER: Pooja Kumari, a customer of Fincare Small Finance Bank, using her mobile phone to make a digital payment in Bihar, India.

THIS PAGE: Rina Rani Behera, a potter and customer of Annapurna Finance in Odisha, India, sends and receives digital payments for her small business.



Message from our CEO

Dear Friends,

At Accion, we know financial services are powerful tools to help reduce poverty and create opportunity. We work with local partners to develop and scale responsible financial solutions for underserved people globally, so they can make informed decisions and improve their lives.

Over our history we have helped build 267 inclusive financial service providers around the world, reaching 440 million low-income and underserved clients. **We have seen time and again how responsible financial services and digital solutions can transform lives.** A small business owner can stock shelves and start selling online. A rural farmer can access advice and insurance and grow more sustainably amid worsening climate threats. And an urban gig worker can gain the skills and experience needed to earn a higher, more consistent income.

In this report, we share client stories, data, and insights that show the impact of our work for small businesses, farmers, women, and their communities. You will also find case studies about our work with our partners and organizations across the industry.

We know that advancing financial inclusion for the nearly 2 billion people who are failed by the global financial system requires collaboration across sectors. Through our investment strategies, advisory solutions, and industry-leading thought leadership, we are driving change in local communities and global systems. We are testing the most innovative ideas, learning what works, scaling the most promising solutions, and replicating successful models around the world. We also continue to learn how best to measure our impact.

None of this work is possible without the support of partners who share our vision and believe in our mission. Together, we are creating a fair and inclusive economy where underserved people can make informed decisions and improve their lives.

Thank you for all that you do to make our work possible.



Michael Schlein
President & CEO, Accion

“Through our investment strategies, advisory solutions, and industry-leading thought leadership, we are driving change in local communities and global systems.”



ANNAPURNA FINANCE, INDIA

Bridging gaps for young entrepreneurs in India

Entrepreneurship is a pathway for young people in India to find economic opportunities in their communities. When Manoranjan, 27, decided to open his pharmacy in Bhubaneswar, he needed capital to purchase medicine and other products. That's when he turned to Annapurna and received his first-ever loan, enabling him to open his pharmacy. He uses his phone to make repayments, accept payments from customers, order inventory, and communicate with Annapurna's team.

“I’m very happy working with them. With this loan, my business is already growing, and in the future, I hope to grow more.”

— MANORANJAN

IMPACT STATS

2023 Impact at a Glance

Since our founding, Accion has helped build more than 267 financial service providers serving clients across 75 countries, reaching 440 million people.¹

- Active partners
- Previous partners



221

current partners² across
34 countries

42.1M

people actively using
products offered
by our financial
institution partners

\$475.8M

impact Assets Under
Management (AUM)³

All data as of December 31, 2023. See footnotes on next page.

We conduct in-depth research and share our learnings to advance responsible financial solutions and systems.



155

full-time staff



53%

women on Board of Directors



44

advisory engagements in 2023

196

thought leadership moments in 2023



91

speaking roles at industry convenings

14

learning events hosted⁴

91

knowledge products published



PHOTO: Accion CEO Michael Schlein and World Bank President Ajay Banga participate in a fireside chat for Financial Inclusion Week, hosted by the Center for Financial Inclusion.

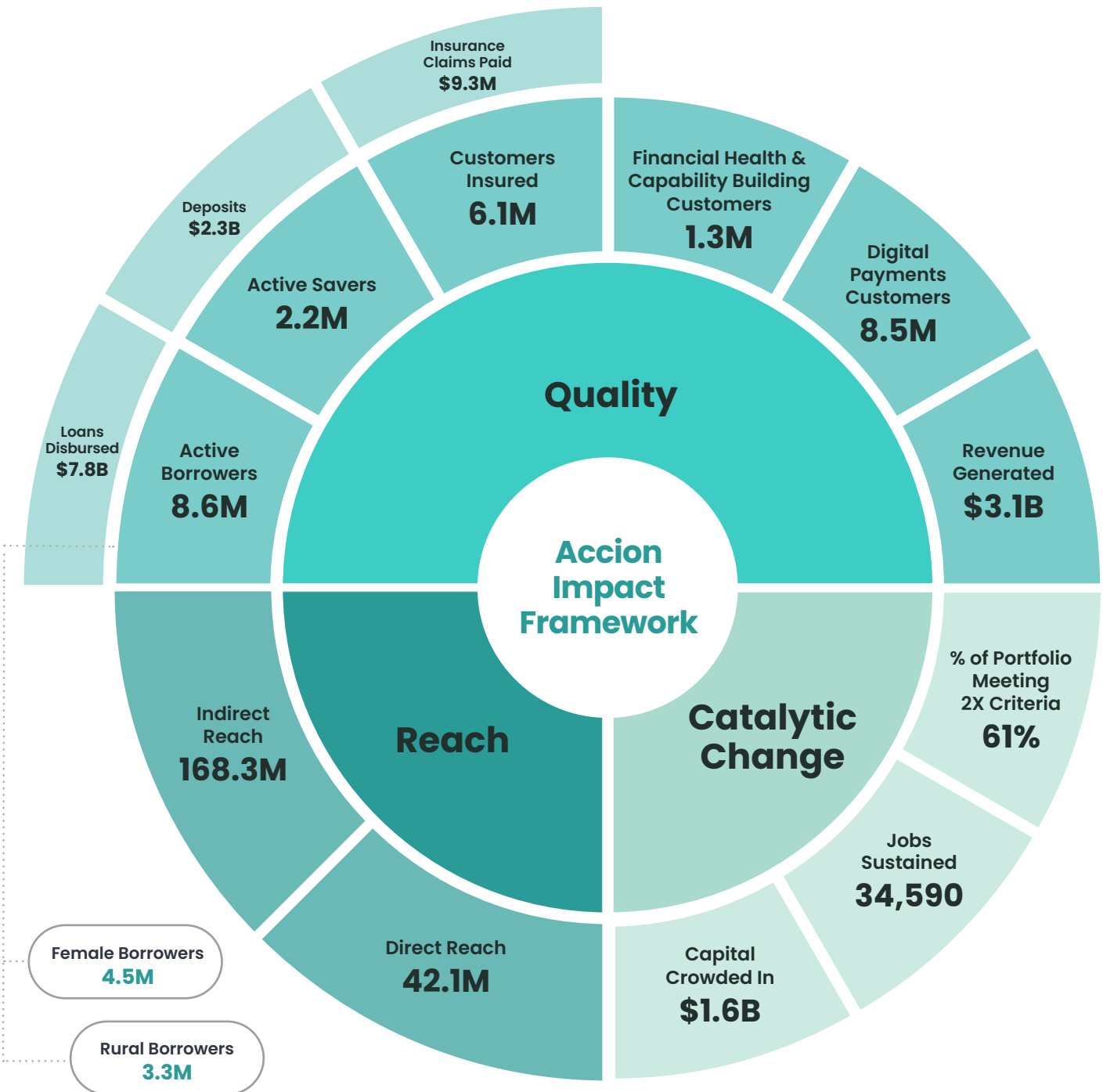
¹ The impact of financial inclusion extends beyond the direct customers of a financial service provider. When one person uses a new financial tool, entire families can benefit. Accion estimates 'total historic indirect reach' as the sum of current direct reach plus the number of active customers at time of exit for historic portfolio companies, times the standard household multiplier. See [page 8](#) for more details.

² "Partner" is defined as a business or other organization with which Accion has a medium to long-term relationship based on investment, advice, and support, or collaboration — including piloting of innovations — for knowledge generation. Partners, as defined here, are usually expected to change their behavior, practices, policies, etc. because of partnership with Accion, although some partners are chosen as thought partners or as multiplying agents and not primarily as targets for their behavior change.

³ These Assets Under Management ("AUM") include (i) \$198.8M in AUM from third party funds ("Funds") managed by Accion's subsidiary Accion Impact Management LLC ("AIM"), which are covered under Accion's Operating Principles for Impact Management ("Impact Principles") disclosure statement; and (ii) \$100.1M that Accion has invested in three Funds (the "Accion-Quona Funds") sponsored by Accion but managed by Quona Capital Management Ltd. ("Quona"), also a signatory to the Impact Principles (for information of how the Accion-Quona Funds comply with the Impact Principles please see Quona's Impact Principles Disclosure Statement). The AUM for Funds managed by AIM are reported as committed capital if prior to the end of their investment period and Invested Capital at fair value post their investment period.

⁴ See Responsible Finance Forum example on [page 20](#).

Our Portfolio Impact in 2023



See page 8 for our impact numbers explained. To learn more about our impact framework, visit accion.org/our-impact.

Behind the Numbers

Reach	Indirect Reach 168.3M To calculate indirect reach, Accion multiplies current direct reach by a standard household multiplier of 4, which is slightly lower than the per country average household where our partners operate.		Direct Reach 42.1M <small>Accion: 23.8M Quona: 19.3M</small> Number of unique individuals who were active customers across all products, as of 12/31/23. The higher number was taken for FSPs reporting customers across multiple product categories. Total includes active customers of non-Accion portfolio companies supported with technical assistance from Accion Advisory in 2023. Accion serves as the GP for the Accion Frontier Inclusion Fund and the Accion Quona Inclusion Fund, managed by Quona Capital. We include Quona direct reach numbers for total underserved MSMEs and underserved retail customers for Accion Frontier Inclusion Fund and Accion Quona Inclusion Fund because of the active management role Accion plays in these two funds. Quona does not provide customer disaggregation by product category. Overlap from numbers reported for companies with investment from more than one Accion investment strategy or for companies receiving Accion investment and Advisory support removed from total for all relevant indicators. The sub-totals of customers by product type in the following section are not mutually exclusive, and therefore do not sum to Accion's total direct reach.				
	Quality	Active Borrowers 8.6M IRIS+PI4060 disaggregated by IRIS+PI7985. IRIS Catalog of Metrics available here: iris.thegiin.org/metrics .	Female Borrowers 4.5M 63% of partners reporting credit data provided sex disaggregation, reporting that 75% of their borrowers are women.	Rural Borrowers 3.3M 23% of partners have reported rural disaggregation. 37% of total borrowers are rural.	Loans Disbursed \$7.8B <small>Accion: \$5.4B Quona: \$2.9B</small> IRIS+ PI5476. Quona loans disbursed calculated as average of underserved MSME and retail customers (as a percent of total customers) multiplied by the total loans disbursed per fund.		Active Savers 2.2M IRIS+PI4060 disaggregated by IRIS+PI7985.
Customers Insured 6.1M IRIS+PI4060 disaggregated by IRIS+PI7985.		Insurance Claims Paid \$9.3M IRIS+FP2460. Reported by 3 insurtechs.	Digital Payments Customers 8.5M Digital payment use cases vary; the majority of customers reported in this category are repaying loans digitally.	Financial Health & Capability Building Customers 1.3M This category includes credit building and financial literacy products and services.	Revenue Generated 3.1B <small>Accion: \$1.4B Quona: \$1.9B</small> IRIS+FP6510.		
Catalytic Change		Capital Crowded In \$1.6B IRIS+FP8293. Exploring and de-risking new models and then taking them to commercial scale by leveraging global capital markets is key to our theory of change. We use capital crowded in, measured by equity funding raised and debt financing secured by portfolio companies in 2023, as a quantitative indicator to measure this catalytic market change. Our spotlight on demonstration models provides some qualitative examples of our catalytic impact as well.		Jobs Sustained 34,590 IRIS+PI5691. Number of full-time employees working for companies with active investments from our investment strategies.	% of Portfolio Meeting 2X Criteria 61% 88% of portfolio companies reported 2X data in 2023. For more info, visit 2xglobal.org .		



BANCOSOL, BOLIVIA

Growing a family restaurant in Bolivia

Ten years ago, Armina Rioja sold meals to people waiting at bus stops near her home in Cochabamba, Bolivia. Her customers encouraged her to open a restaurant, but she did not have a storefront, chairs, or tables. Across our work, we see that it is difficult for informal operations to access financial services to start and expand businesses. With a loan from BancoSol, Armina bought tables and chairs and opened her restaurant, which she runs with her husband and son, Brayan. Today, she continues to receive loans and manages her account with the BancoSol app.

“Just as this business grew, I also grew with it. Today, I feel happy that we are going on a good path.”

— BRAYAN, ARMINDA'S SON

IMPACT STORIES

Customer Spotlights

The following companies have received investments through our investment strategies or are advisory clients. These case studies feature select client-level outcomes, that most closely align with our impact framework, measured by 60 Decibels from a representative sample across each partners' customer base.

LATIN AMERICA

Fundación Génesis Empresarial 11

ASIA

Advance 12

AFRICA

UGAFODE 13

María Bonifacia Pirir Sequén, textile business owner in San Juan Sacatepéquez, Guatemala, and Fundación Génesis Empresarial customer.



CUSTOMER SPOTLIGHT

Fundación Génesis Empresarial

ACCION ADVISORY CLIENT & RED ACCION MEMBER

FOUNDED 1988



GUATEMALA

Génesis is a Guatemalan foundation specializing in sustainable socioeconomic development since 1988.



Miriam Morales, convenience store owner in Izabal, Guatemala, and Fundación Génesis Empresarial customer.

ACCION CONTRIBUTION

Our support to Génesis through July 2023 focused on enhancing the strategic growth of its mobile wallet, Akisi, by exploring interoperability with WhatsApp and the digital payment ecosystem. We also onboarded new partners, and conducted market research and testing to identify opportunities to accelerate credit access and address key pain points such as high cash dependency and lower digital maturity for underserved businesses and people along Guatemala’s housing value chain, including distributors, contractors, laborers, and homeowners.

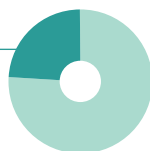
“The loan is helping me grow my business, I consider that I am much better now, and I can be working and earning money to pay off my loan and maintain my business.”

TYPICAL CLIENT

44–46 year old female

SURVEY SAMPLE

24% Men



76% Women

BY THE NUMBERS

62%

accessed a financial product/service like this for the first time

82%

improved ability to face major expenses, with **22%** reporting significant improvements

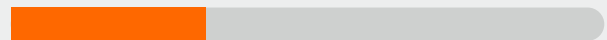
83%

‘strongly agreed’ they understand product terms and conditions

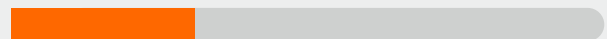
96%

said their quality of life has improved, with **66%** reporting significant improvements

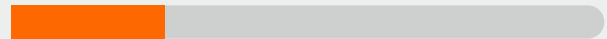
Top 3 Self-Reported Outcomes



33% mentioned ability to increase business profits



32% reported improvement in ability to pay for personal/family expenses



29% talked about improved business/growth

CUSTOMER SPOTLIGHT

Advance

ACCION VENTURE LAB INVESTMENT

FOUNDED 2018

 PHILIPPINES AND VIETNAM

Advance is a digital lending platform in the Philippines and Vietnam, helping low and middle-income workers manage their cashflows and unexpected expenses through access to salary advances.



ACCION CONTRIBUTION

Our work with Advance aims to increase operational efficiency and has included workshopping the employee lifecycle from recruitment to retention, improvements to credit policy, sales strategies, and customer referral programs. Advance's CEO has previously participated in Accion Venture Lab's CEO Forum, an opportunity for portfolio company leadership to learn from experts and peers, as well as the Harvard Business School-Accion Program on Strategic Leadership in Inclusive Finance.

“From time to time, we have emergency needs that require additional funds. Thanks to Advance, I don't have to worry about where I will get the money.”

TYPICAL CLIENT

26–28 year old female
working in IT services

SURVEY SAMPLE



BY THE NUMBERS

89% accessed a financial product/service like this for the first time

95% improved ability to face major expenses, with **18%** reporting significant improvements

78% reported reduced time spent worrying about their finances

93% said their quality of life has improved, with **12%** reporting significant improvements

Top 3 Self-Reported Outcomes

64% mentioned improved access to financial services

60% talked about improved ability to afford household bills and expenses

45% reported improved ability to afford emergencies

CUSTOMER SPOTLIGHT

UGAFODE

ACCION EMERGE INVESTMENT & ADVISORY CLIENT

FOUNDED 1994



UGANDA

UGAFODE has evolved over the past 30 years from an NGO providing group credit to women to a regulated Micro-finance Deposit-taking Institution (MDI) offering a full suite of inclusive financial solutions across Uganda.



Jean Kambale, electronics and hardware store owner in southern Uganda, and UGAFODE customer.

ACCION CONTRIBUTION

Our support to UGAFODE in 2023 focused on creating income generating opportunities for refugee women to sell goods on digital marketplace Soko Uganda, by linking their UGAFODE bank accounts to marketplace accounts to receive payments and, if eligible, working capital loans, as well as training to build their digital and financial capabilities. For more, see [page 14](#).

“I have been able to increase my agricultural production, and this has increased my income, as well as improving my family’s living standards.”

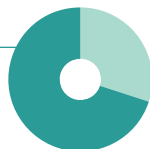
TYPICAL CLIENT

40–45 year old male

from the Southwest of Uganda

SURVEY SAMPLE

70% Men



30% Women

BY THE NUMBERS

79%

accessed a financial product/ service like this for the first time

89%

improved ability to face major expenses, with **15%** reporting significant improvements

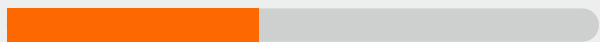
81%

reported they have never faced an unexpected charge or fee

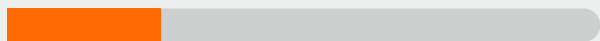
96%

said their quality of life has improved, with **27%** reporting significant improvements

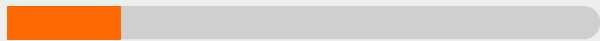
Top 3 Self-Reported Outcomes



42% reported being able to increase business profits



29% reported improvement in ability to pay for education



20% reported improvement in ability to buy assets (business or personal)

Supporting refugee women in Uganda

with UGAFODE and the
Conrad N. Hilton Foundation



Uganda is host to Africa's largest refugee population, with more than **1.6 million** people settling within its borders to escape conflict in their home countries. A large proportion of these refugees are women, often the main income earners and primary caregivers of their households. With support from the Hilton Foundation, Accion launched a program in Uganda and Ethiopia to enable women refugees to strengthen their livelihoods and self-reliance by helping them achieve their entrepreneurial goals.

In Uganda, Accion Advisory is working with UGAFODE to provide refugee women with access to new income generating opportunities — and financial tools tailored to their business needs. As a result of the program, women specializing in textiles and handicrafts are selling their products on [Soko Uganda](#), an online marketplace for locally made goods. Soko Uganda is also an official partner of Uganda's Ministry of Trade and Cooperatives' Buy Uganda Build Uganda program for promoting locally made goods for internal consumption and export.

Participating entrepreneurs can link their UGAFODE bank accounts to their marketplace accounts to receive payments and working capital loans. They also receive training to build their digital and financial capabilities, as well as marketing and other support to position them for success.

“Ensuring women’s access to employment, entrepreneurship, and financial services is crucial not only for their family’s livelihoods and well-being but also for local and national economies.”


— **BARRI SHOREY, SENIOR PROGRAM OFFICER, REFUGEES INITIATIVE, THE CONRAD N. HILTON FOUNDATION**

ABOVE: Farhiyo Abdulahi, restaurant owner in southern Uganda, and UGAFODE customer.

Key learnings drawn from the research, design, and implementation phases will inform program expansion, including the need to remain responsive to refugees' needs and to continue to build trust between refugee women and partner institutions. Refugee communities are a new market segment for Soko, and as a result, merchant onboarding and capacity building services also had to be adapted to meet the needs of this segment.

Continued partner education will remain a key area of focus over the remainder of the project. In order to see refugee populations as a viable market segment and sustainably serve them, local institutions must have a vested financial and social interest in changing the way they operate and the products they offer.

The program aims to support close to 10,000 women in Uganda and Ethiopia by the end of 2024.



As our work with UGAFODE demonstrates, we seek to achieve impact on multiple levels, by supporting and scaling innovative and inclusive companies and expanding opportunity for underserved people.

Learn more about our theory of change at: accion.org/our-impact.

Farhiyo Abdulahi, restaurant owner in southern Uganda, and UGAFODE customer.

Launching a new digital transformation fund

Accion Digital Transformation Fund



In early 2024, we announced the launch of the Accion Digital Transformation Fund. **The \$152.5 million fund is managed by Accion Impact Management and seeks to enable financial institutions to better meet the needs of small businesses that are currently excluded from the financial system by providing growth capital and strategic support for digital transformation.** Investments will focus on companies serving micro, small, and medium enterprises across South and Southeast Asia, Latin America, and Africa.

Initial investments by the fund in 2023 include Annapurna Finance and IKF Finance, which serve rural and low-income communities in India. Up to 12 total investments are expected during the lifetime of the fund. Limited partners in the fund include British International Investment (BII), the UK's development finance institution; the Dutch entrepreneurial development bank FMO; IDB Invest; International Finance Corporation (IFC); Mastercard; OeEB, the Development Bank of Austria; and Swedfund, Sweden's development finance institution. **The fund builds on our existing digital transformation work and epitomizes our partnership approach and shared vision to use philanthropy to explore and de-risk new models and then take them to commercial scale with like-minded partners.**



\$152.5M

final close, multiplying Accion's initial commitment by 10x

ABOVE: Madhusmita, small business owner in Odisha, India, and Annapurna Finance customer.

Annapurna Finance

FOUNDED 2009

INDIA

Annapurna is a leading microfinance non-banking financial company serving low-income households since 2009. Its loan portfolio consists of self-help group loans, as well as individual, housing, and micro, small and medium enterprise (MSME) loans. Annapurna is **currently supporting approximately 2.6 million clients, 98% of them women**, with a gross loan portfolio totaling US \$1.1 billion, as of December 2023.

Annapurna was one of the inaugural investments of the Accion Digital Transformation Fund, given the strong alignment with Annapurna's vision to develop a holistic digital platform to further deepen engagement with rural, low-income women.

The Accion Digital Transformation Fund is working with Annapurna to support a variety of digital initiatives.

2.6M

clients supported by Annapurna Finance

98%

of Annapurna Finance clients are women

Manashi Pradhan, a rice farmer in Odisha, India, and Annapurna Finance customer.



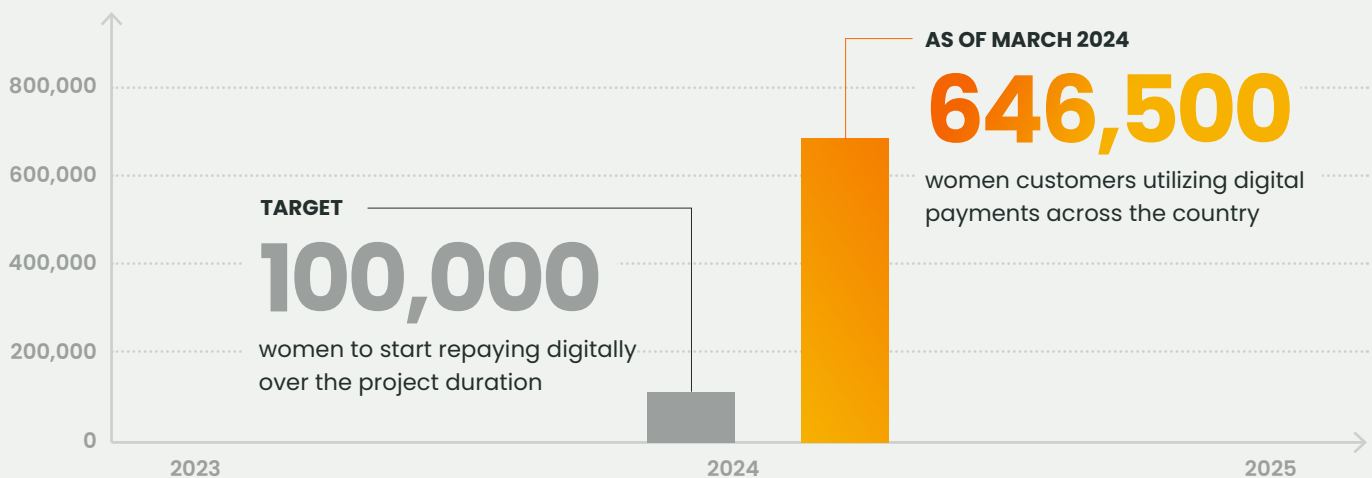
Designing and launching innovative new products

Digital Payments

Despite significant progress in recent years to drive financial inclusion and digital payments in India, disparities persist, particularly for rural women. With support from HSBC India, Accion Advisory worked with two large financial service providers, [Satin Creditcare](#) and [Fincare Small Finance Bank](#), to understand the barriers and motivations for implementing digital payments and driving adoption among low-income women in rural India. Our objective was to increase the digital financial capabilities of rural women and to boost their confidence using digital tools, especially for making digital payments.

Accion Advisory conducted human-centered design research to understand core challenges for customers and partner institution staff. Based on the findings, we collaborated with our partners on a multifaceted approach to drive digital payment adoption. This included designing a new program to provide women microfinance customers with the knowledge and skills necessary to navigate digital financial tools effectively. The program was designed to build women's confidence and proficiency in making digital payments, enhancing their access to financial services, and ultimately fostering financial independence. Our approach also placed a strong emphasis on ensuring that the operational aspects of digital repayment, including reconciliation, were standardized and that microfinance field staff receive comprehensive training to equip them with the necessary expertise to support customers' digital payment journeys.

This program aims to build women's confidence and proficiency in making digital payments, enhancing their access to financial services, and ultimately nurturing financial independence.



Investing in cross-cutting and strategic themes

Building resilience to climate change

Verqor's digital platform enables farmers in Mexico to access financing, supplies like seeds and fertilizers, buyers, and new ways to advance their digital literacy and sustainability. Verqor's core customers make up part of the 90 percent of small and medium-sized farmers underserved by traditional financial services in Mexico. These farmers also have limited access to farm equipment and machinery, and rarely use digital tools. By offering a platform and digitizing input supply, financing, and crop off-taking, Verqor captures data that can be used to underwrite credit for this underserved segment. Additionally, Verqor facilitates access to inputs for higher yield, higher-value crops for farmers through its connections with input manufacturers. **Nearly three quarters of Verqor's credit clients in 2023 were accessing formal productive credit for the first time.**



ACCION VENTURE LAB INVESTMENT

In 2023, Accion Venture Lab worked with Verqor on their customer acquisition strategy, as well as their sales team structure, incentives and KPIs. We also supported Verqor to refine their strategies for underwriting, future debt fundraises, and building a strong organizational culture.

Unlocking the power of embedded finance for MSMEs

Showroom B2B's digital platform connects small retailers and micro, small, and medium-sized garment manufacturers in India, giving them the digital tools to streamline their business operations and increase profits. The apparel retail industry employs 50 million people, of which an estimated 60-70% are women. Operating in a fragmented, analog industry, small garment retailers rely on financing terms from distributors that are unpredictable and irregular, while on the other end of the marketplace, micro and small manufacturers also face capital constraints with unfavorable terms. **Showroom is building an omnichannel platform for small retailers to provide a high-touch sales approach, and aims to optimize access to finance for both retailers and manufacturers by digitizing their business operations and offering embedded credit products,** allowing them to build their credit history and grow their businesses.



ACCION VENTURE LAB INVESTMENT

In 2023, Accion Venture Lab supported Showroom in thinking through their underwriting process and shaping their credit strategy as they lend to underserved SMBs through a purchase financing product. From an operational perspective, we supported Showroom to strengthen their logistics to scale and reduce returns; while also identifying reasons, and reducing, attrition in frontline sales teams.

Showcasing our convening power and thought leadership

The Responsible Finance Forum

In 2009, the international development community saw a need to foster dialogue and collaboration among the private sector, governments, policymakers, academics, and consumer organizations on responsible inclusive finance and consumer protection. In response, **the Responsible Finance Forum (RFF) was established as a community of practice and global convening platform** by BMZ/GIZ, CGAP, IFC, and the Netherlands Ministry of Finance, in partnership with the wider G20 Global Partnership for Financial Inclusion (G20/GPFI) community. RFF holds an annual in-person event for global stakeholders to share emerging insights and solutions and collaborate on initiatives to ensure responsible consumer outcomes remain at the core of efforts to advance inclusive finance.

The Center for Financial Inclusion (CFI) assumed the convening role of RFF in 2022. After convening virtually for several years due to COVID-19, CFI hosted a first in-person RFF gathering in Bengaluru, India in July 2023. **The 2023 RFF convening had 160 participants representing 20 countries.** Participants were invited to join one of four immersive field visits to learn about the challenges and opportunities consumers and practitioners face in India's vibrant digital finance ecosystem. The 2023 convening also addressed current risks — such as rising fraud, scams, and the erosion of trust among users who have a poor experience with digital financial services — and emerging risks — such as cyber-attacks on systems and the risk of exclusion from algorithmic bias in digital models in inclusive finance.

Under CFI's leadership, RFF has also formed several working groups to collaborate on pressing challenges and advance consumer protection initiatives. The Better Than Cash Alliance led a working group on responsible redress and produced [guidance on how to make recourse clear, quick and responsive](#). Two other groups are continuing work on the topics of responsible AI and responsible digital credit and anticipate releasing outputs in the lead up to the 2025 convening.

CFI's stewardship of RFF is one example of Accion's unique ability to bring together key stakeholders across the inclusive finance sector to learn from one another and ultimately, to shape the future of the sector. The 2024 RFF was held on July 2–3, as an official side-event to the GPFI event in Fortaleza, Brazil, adjacent to the G20.

No one can deny the importance of responsible finance. These discussions will contribute and generate lots of inputs and insights that will help the GPFI as a group guide its work towards advancing financial inclusion.”

— CHANCHAL CHAND SARKAR,
RFF SPEAKER

ADVISER, DEPARTMENT OF
ECONOMIC AFFAIRS, MINISTRY OF
FINANCE, INDIA

CO-CHAIR, G20 GLOBAL
PARTNERSHIPS FOR
FINANCIAL INCLUSION



DVARA KGFS, INDIA

Small-scale farmers strengthen their livelihoods in rural India

For more than two years, Shivaramu worked tirelessly amid sweltering heat and clamoring iron in the welding section of an automobile company, miles away from his village in Karnataka, India. Despite working long hours, he earned a meager salary. When COVID-19 hit, Shivaramu returned to his village and started raising cattle. With a loan from Dvara KGFS, he increased the size of his herd and started cultivating fodder, diversifying his sources of income. Now, he spends his days looking after his cattle business, growing sugarcane and fodder on his farm, and spending time with his family — at home.

“My son used to live away from the family in the city. He came back and started raising cows. Compared to how we were living then and had nothing, now we have our house and everything else we need.”

— RATHANAMMA,
SHIVARAMU’S MOTHER

Our Impact Leadership in 2023

2023 was a pivotal year for our Impact Measurement and Management (IMM) efforts, as we began to operationalize our industry commitments, expand our customer outcomes data collection, and contribute to initiatives aimed at better understanding — and sharing — the impact of inclusive finance.

ALIGNING WITH BEST PRACTICES

SCALING OUTCOMES MEASUREMENT

STRATEGIC FOCUS

Signatory to:



Operating Principles for Impact Management

In February 2023, we became a signatory to the Operating Principles for Impact Management, **formalizing our long-standing commitment to best practices in impact investing** and proactively enhancing our impact management systems.



Contributor to GIIN's IRIS+ financial services impact performance benchmark

We contributed our 2022 portfolio impact data to support development of the GIIN's IRIS+ financial services impact performance benchmark, a free **industry resource that enables anyone to explore investment-level impact data** across a set of key performance indicators to assess financial opportunity and resilience and inclusive economic development within the financial services sector.

Scaling customer outcomes data

A primary objective of our IMM strategy is to integrate outcome data at scale to better understand — and ultimately improve — how underserved people access, use, and benefit from quality financial solutions, while mitigating potential risks. In 2022, we became a founding partner of a new index, created by 60 Decibels, that gave the microfinance industry greater visibility into its impact. Now in its second year, the 2023 Microfinance Index has surveyed over 32,000 microfinance clients in 32 countries from more than 114 participating financial service providers (FSPs) globally, many of them Accion partners. **We expanded our commitment to measuring customer outcomes in 2023, including additional survey modules for customer protection, as well as [surveying savings customers](#) (not included in the MFI Index, which focuses on borrowers).** In 2024, we are seeking to scale our commitment and achieve greater coverage of customer outcomes data across all Accion investment strategies.

Champion for CGAP Financial Inclusion 2.0 Initiative

Our CEO joined the [CGAP Financial Inclusion 2.0 Initiative's](#) Champion's Group in October 2023, to help shift the focus of the financial inclusion industry from increasing access to, and usage of, financial accounts to focus on the outcomes inclusive finance can have, advocating for the importance of this work throughout the industry.



Enabling women's economic empowerment

In 2022, FinEquity, together with the Center for Global Development (CGD) and Data2X, as well as a core group of 20+ organizations including CGAP, met to develop a common [approach to measuring women's economic empowerment](#) within women's financial inclusion initiatives. Following an almost year-long learning process, a theory of change was developed with a proposed core set of indicators. In May 2023, FinEquity launched a **Co-Lab model to test these indicators**. **We facilitated participation of three Accion portfolio companies**, which made up over sixty percent of the sample data, supporting the success of this initiative.

We joined 2X Global in November 2023, further underscoring our commitment to women's economic empowerment. 2X Global is a global membership network working with the entire investment ecosystem to shift mindsets and markets around the opportunity in gender and equity lens investing.

Advocating consumer protection

In November 2023, we became an Investor Joint Signatory to the Client Protection Pathway, calling on all financial service providers to implement the Client Protection Standards, as part of **our industry's continued commitment to making responsible financial services available to underserved people.**

The Client Protection Pathway, launched in 2021, is the evolution of the Client Protection Principles developed by CFI under the Smart Campaign in 2009. The campaign was a global initiative led by CFI that worked to create an environment in which financial services are delivered safely and responsibly to low-income clients. **The Campaign developed the first global financial consumer protection standard, established a rigorous certification program to validate practices by financial service providers, produced consumer protection research, and convened partners to effect change.** Over the program's lifetime, over 135 financial institutions, collectively serving more than 62 million low-income clients in 42 countries, were certified for adhering to the Smart Campaign's Client Protection Standards.

In 2020, the Client Protection Standards and management of their implementation was transferred to long-time partners SPTF and CERISE.

Lessons Learned



In 2022, we began our journey to formalize an organization-wide Impact Measurement and Management (IMM) strategy. While we have been focused on impact since our founding in 1961, **building and operationalizing an IMM strategy is a significant change management exercise** that involves revisions across core investment and risk management processes, data collection, monitoring, and reporting systems.



It also requires culture change, to incentivize learning and double down on transparency and accountability in measuring and managing for impact. This is an iterative process, and we are learning as we go.



The industry is also learning and evolving alongside us, as the past 5 years have seen significant acceleration in the evolution of standards, best practices, and tools for impact investing. Part of our strategy has been right-sizing our approach to organizational resources and bandwidth — this includes being efficient with what we measure and how, and focusing on measuring what matters.



As impact investors, we cannot continually add new reporting requirements without taking a hard look at what is truly supporting decision making, in line with our impact framework — to avoid overburdening our portfolio companies and their customers in service of our impact mission.



FIELD INTELLIGENCE, KENYA

Helping communities stay healthy in Kenya

Faith Mwikali operates a small pharmacy in Nairobi, Kenya. She provides her customers with medications and advice to help address any health conditions or concerns. With working capital and analytics provided by Accion Venture Lab portfolio company Field Intelligence, Faith can better manage her inventory and ensure she has the products her customers need.

“I personally know most of them. I also live in the neighborhood, so they trust me. They know me.”

— FAITH MWIKALI



Accion is a global nonprofit on a mission to create a fair and inclusive economy for the nearly two billion people who are failed by the global financial system. We develop and scale responsible digital financial solutions for small business owners, smallholder farmers, and women, so they can make informed decisions and improve their lives. Through targeted investment strategies, advisory solutions, and expert thought leadership, we work with local partners to develop and scale cheaper, more accessible, and customer-friendly financial solutions. Since 1961, Accion has helped build more than 267 financial service providers serving low-income clients in 75 countries, reaching 440 million people. More at accion.org.

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