

HOW TO USE IRIS+ AND AERIS TOGETHER

Developed in partnership with Aeris

IRIS+ ALIGNMENT

PURPOSE

This document provides guidance on how to use IRIS+ alongside the Aeris Rating and Information Service for Community Development Financial Institutions (CDFIs).

AUDIENCE

Investors, particularly private community loan fund managers interested in incorporating impact and risk management considerations into their analysis.

LEVEL: BEGINNER

REFERENCE

Use this document with



BACKGROUND

Harmonizing impact measurement and management (IMM) approaches is key to effectively using impact performance data for investment decision-making. The Global Impact Investing Network (GIIN) works alongside leading organizations across sectors and industries to align their respective standards, methodologies, metrics, and/or assessment tools with IRIS+ and IRIS metrics.

These alignments:

- help organizations communicate with a common impact performance language;
- alleviate the reporting burden on both investors and investee organizations; and
- enhance data interoperability between different actors

About Partner Standard

Aeris is a rating and information service for impact investments. Aeris has established risk management standards for private community loan funds (CDFIs) and has helped strengthen the development of impact measurement and management (IMM) practices in the CDFI industry. Since 2004 Aeris has issued more than 1,000 ratings on CDFIs, based on thorough analyses of each organization's IMM practices, capital structure, asset quality, earnings, liquidity, management and governance strength and practices.

In addition to Aeris Rating Reports, Aeris aggregates quarterly performance data from CDFI loan funds using a custom-built web platform (the Aeris Cloud), which automatically standardizes the presentation of CDFI financial and portfolio quality data. Data are accessed by CDFI investors on a subscription basis, and Aeris publishes trend reports on CDFI performance based on its analysis of aggregated, anonymized CDFI performance data.

Annually, CDFIs report impact indicators to the Aeris Cloud, with some CDFIs now reporting common core metrics that align with IRIS+. This alignment was made possible by the partnership between Aeris, the GIIN, and CDFI working groups (see below).

ABOUT THE GIIN

The Global Impact Investing Network (GIIN) is the global champion of impact investing, dedicated to increasing its scale and effectiveness around the world. The GIIN builds critical market infrastructure and supports activities, education, and research that help accelerate the development of a coherent impact investing industry. IRIS+ is managed as a public good by the GIIN.

About IRIS+

IRIS+ is the generally accepted system for measuring, managing, and optimizing impact. Developed with broad stakeholder input, IRIS+ is used by asset owners, asset managers, enterprises, and other impact investing stakeholders to understand, assess, and advance their impact performance.

Whether used end-to-end as an impact measurement and management system, or to underpin other standards, methodologies, and assessment tools by employing the use of standard IRIS metrics and Core Metrics Sets (short lists of key indicators), IRIS+ enables impact investing stakeholders to measure progress toward their goals in a way that produces clear, consistent, and comparable data.

In addition to the IRIS Catalog of Metrics and Core Metrics Sets, IRIS+ also offers a common way to frame impact goals (along the SDGs or common impact categories), a built-in evidence base linking common impact goals to specific outcomes, includes curated best-in-class third-party resources, and practical, how-to guidance to advance impact measurement and management practice. IRIS+ is a free, publicly available resource managed by the GIIN, the global champion of impact investing.

USING IRIS+ AND AERIS TOGETHER

For several years Aeris and the GIIN have been working together to increase harmonization of IMM in U.S. community investments, in particular CDFI loan funds.

In 2017, the Aeris team partnered with the GIIN in an effort to better connect impact investors to CDFIs by mapping IRIS-aligned metrics that are commonly reported by CDFIs and are applicable to a range of community investments. Thanks to the efforts of individuals and organizations that participated in five CDFI working groups, in 2018 Aeris completed the catalog of common impact metrics for CDFIs and began inviting CDFIs to report these data to the Aeris Cloud. These metrics were organized by Impact Categories and Themes of the [IRIS+ Thematic Taxonomy](#). To further increase coordination and harmonization, in 2020-2021 Aeris participated in testing a new API developed by the GIIN to integrate IRIS metrics into data platforms, evaluating interoperability with Aeris' data platform. In 2021, the GIIN and the Aeris team partnered again to update the alignment of Aeris to IRIS+, reflecting updates in topics related to Quality Jobs and Affordable Housing, among others.

In addition, Aeris has now integrated IRIS+ alignment into its rating process. Specifically, Aeris has incorporated IRIS+ into the impact data tables presented in Aeris Rating Reports and Aeris Impact Management Rating Reports. To further improve impact investors' ability to identify CDFIs that match their impact focus areas, IRIS+ and Sustainable Development Goal filters are now available in the Aeris CDFI Selector (<https://www.aerisinsight.com/cdfi-selector/>) tool, which lists all CDFIs that report data to Aeris and/or are Aeris-rated.

What's Next

Standardization of impact measurement and management practices to advance efforts toward data clarity and consistency across the field will continue to evolve over time, especially as progress is made on portfolio-level aggregation of data, understanding comparative impact performance, and efforts to increase the availability of quality of impact data. As initiatives continue to evolve, IRIS+ alignments will be updated and revisited to reflect current and best practice.

To contribute to ongoing IRIS+ developments and IMM field building efforts, contact iris@thegiin.org.



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DISCLOSURES

The Global Impact Investing Network (“GIIN”) is a nonprofit 501c(3) organization dedicated to increasing the scale and effectiveness of impact investing. The GIIN builds critical infrastructure and supports activities, education, and research that help accelerate the development of a coherent impact investing industry.

Readers should be aware that the GIIN has had and will continue to have relationships with many of the organizations identified in this report, through some of which the GIIN has received and will continue to receive financial and other support.

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