HOW TO USE IRIS+ AND HIPSO INDICATORS TOGETHER

Developed in partnership with HIPSO

PURPOSE

This document provides guidance on how to use IRIS metrics alongside HIPSO indicators.

AUDIENCE

Development finance institutions, multilateral development banks, impact investors, foundations and government agencies. May also be useful to enterprises and service providers working with impact investors.

LEVEL: BEGINNER

REFERENCE

Use this document with

- **FUNDAMENTALS**
  - IRIS+ Core Metrics Sets

- **IRIS METRICS**
  - IRIS Catalog of Metrics

- **IRIS+ ALIGNMENTS**
  - IRIS+ and HIPSO Metrics Alignment

July 2020
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 HIPSO
The broad range of structures, mandates and shareholders of Development Finance Institutions (DFIs) working with the private sector means that there are many different systems used to track development results. However, many DFIs share the same clients or invest in the same sectors, but previously required clients to report their activities based on different sets of criteria.

The Harmonized Indicators for Private Sector Operations (HIPSO) represent the collective agreement of 27 DFIs originated in 2008 to standardize indicators and relieve clients from the unintended burden deriving from the DFIs' different reporting requirements, including similar indicators (with different definitions) meant to capture the same data.

Today, HIPSO indicators are used by DFIs, impact investors, and other development partners. The metrics are also in alignment with the SDGs. As of 2020, HIPSO is revising its indicators and expanding coverage in thematic areas around gender, climate, and jobs; and at the sector level, around financial inclusion and infrastructure services.

About IRIS+
IRIS+ is the generally accepted system for measuring, managing, and optimizing impact. Developed with input from 1,000+ stakeholders, IRIS+ is used by impact investors, enterprises, and other impact investing stakeholders around the world to understand, assess, and advance impact performance.

Whether used end-to-end as an impact measurement & 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.

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.
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 HIPSO together

The GIIN and HIPSO have a long history jointly coordinating efforts towards harmonization. The alignment between HIPSO indicators and IRIS metrics enables DFIs, their clients, and other stakeholders in the impact investing space to have a common and comparable way in which impact of their operations is assessed.

Brief history and current status of IRIS and HIPSO collaboration and alignment

- 2013: First IRIS-HIPSO alignment: 15 out of 27 HIPSO indicators (56%) were aligned to IRIS metrics.
- 2016: IRIS-HIPSO alignment update: 19 out of 38 HIPSO indicators (50%) were aligned to IRIS metrics (alignment percentage decreased as a result of indicators added to HIPSO that were not covered by IRIS).
- 2018: IRIS becomes an official observer to the HIPSO Whole Group (comprising of 27 DFIs).
- 2020 [in progress]: IRIS-HIPSO alignment update with a focus on deepening harmonization. 9 new metrics added to the IRIS Catalog of Metrics to incorporate areas included in HIPSO but not yet covered by IRIS+ Themes and Core Metrics Sets.
  - 91% alignment between HIPSO indicators and IRIS Catalog of Metrics. 9% gap represents job metrics and is subject to revision based on ongoing work in the IRIS+ Quality Jobs theme and HIPSO working group on Jobs (both ongoing as of July 2020).
  - 25% alignment between HIPSO indicators and IRIS+ Core Metrics Sets. This means that while 91% of HIPSO indicators can be found on the IRIS Catalog of Metrics (version 5.1), only 25% are part of Core Metrics Sets. This is due to differences in sectors covered by HIPSO and IRIS+ Core Metrics Sets. For example, IRIS+ does not yet provide Core Metrics Sets for Transportation, Infrastructure, or Information & Communication Technology. Similarly, areas of PSD Market Level, PSD Firm Level, P&E Investment Funds, all covered by HIPSO are not part of IRIS+ Core Metrics Sets. Refer to the IRIS+ and HIPSO alignment spreadsheets for details.

What’s Next

HIPSO and IRIS+ are committed to continue working closely together to ensure harmonization and progress towards data clarity and consistency across the industry. As HIPSO undergoes revision and addition of new indicators in 2020, the GIIN is actively participating in these discussions. Similarly, HIPSO members are active participants of IRIS+ working groups for the development of thematic content. The current alignment between HIPSO and IRIS+ will be updated in late 2020/early 2021 to reflect revisions to HIPSO and IRIS+ that result from 2020 developments.

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