

HOW TO USE IRIS+ WITH THE THK POVERTY IMPACT CHECKLIST

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IRIS+ ALIGNMENT

PURPOSE

This document provides guidance on how to use IRIS metrics alongside the Tri Hita Karana (THK) checklist for assessing the impact of blended finance on the poor.

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



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 the THK Impact Checklist

The Tri Hita Karana (THK) Roadmap for Blended Finance, a multi-stakeholder initiative developed under the leadership of Indonesia and the Organization for Economic Co-operation and Development (OECD), establishes a system of [shared values](#) for the deployment of blended finance. The OECD supports the Tri Hita Karana Roadmap for Blended Finance with the full recognition that market-wide coordinated action is necessary to more effectively and efficiently deliver the necessary financing and development impact needed to support the fulfilment of the SDGs.

The [THK Roadmap](#) identifies five areas for action to help ensure effectiveness and efficiency in the use and scaling up of blended finance operations, and to help establish the appropriate environment for blended finance:

1. Practice: Translate a common narrative into good practices.
2. Mobilization: Where possible, accelerate mobilization of private commercial finance by optimizing incentives, financial instruments and standardization efforts.
3. Transparency: Build on efforts to facilitate transparency in the use of blended finance, in particular blended concessional finance.
4. Build inclusive markets: Addressing specificities in the local and international investment climate.
5. Impact: Strengthen measurement and monitoring of the impact of blended finance for the SDGs.

The Tri Hita Karana (THK) Checklist for assessing the impact of Blended finance on the poor was developed as part of the THK Impact working group (# 5 in the above list).

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 OECD

The Organization for Economic Co-operation and Development (OECD) is an international organization that works to build better policies for better lives. Our goal is to shape policies that foster prosperity, equality, opportunity and well-being for all.

Responding to the SDG objective of “reaching the furthest behind first”, many blended finance providers prioritize the goal of improving the lives and well-being of the poor and marginalized. To that end, the Checklist provides practical guidance for blended finance providers that seek to integrate and strengthen analysis of impact on the poor into their IMM approach for better investment decisions and impact assessment.

The checklist is designed to be a tool for exploring ex ante and measuring ex post impact in 7 broad areas:

- **Access:** Will the poor have access to the benefits of the investment as producers or consumers?
- **Affordability:** Will the investment result in a reduction in cost, or an improvement in quality, of key products used by poor households or producers?
- **Income and wealth benefits:** Will the investment contribute to increasing the income and/or wealth of the poor?
- **Basic needs and vulnerability:** Does the investment address basic needs and vulnerabilities of the poor?
- **Empowerment and capacity building:** Will the investment empower the poor and strengthen their voice and market power?
- **Standards:** Will the investment conform to international product, market, and labor standards?
- **Market building and finance mobilization:** Will the investment build markets or catalyze additional investment for the benefit of the poor?

About IRIS+

IRIS+ is the generally accepted system for measuring, managing, and optimizing impact. Developed with broad stakeholder input, IRIS+ can be used by asset owners, asset managers, enterprises, and other impact investing stakeholders working 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.

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 the Partner’s Standard together

To harmonize the way in which impact on the poor is assessed both ex ante and ex post in blended finance interventions, the GIIN, the THK impact working group co-leads, and the OECD teams worked collectively to align the THK Checklist questions to IRIS metrics. This alignment enables public and private blended finance providers to have a common and comparable way in which impact of blended finance on the poor is assessed.

View [here](#) the Checklist for Assessing the Impact of Blended Finance on the Poor, including the alignment of each checklist question to IRIS metrics and specifics comments to understand on how to use the IRIS metrics in the alignment.

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. The THK Impact Working Group will continue to collaborate with IRIS+ on specific issues and challenges of interest to the diverse membership of the Group.

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



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