

Leading Impact Investors Make Progress Toward Harmonized Impact Measurement with Release of Joint Indicators

Washington, DC, March 16, 2021—IFC, a member of the World Bank Group, the Global Impact Investing Network (GIIN), and a group of leading impact investors announced today the launch of the **Joint Impact Indicators (JII)**, a set of high-level indicators that impact investors can use to measure and report on their investment activities. This harmonized set of indicators will help further promote the fast-growing market for impact investing, which has the potential to channel \$26 trillion into investments that have a positive social, economic, and environmental impact, alongside financial returns. The JII has been endorsed by leading impact investors and associations that have [called for others](#) to join them in using these indicators.

JII is a set of impact indicators – starting with gender, jobs, and climate – aligned between the [Harmonized Indicators for Private Sector Operations \(HIPSO\)](#) and the [IRIS Catalogue of Metrics](#), the two impact indicator sets used by most impact investors.

“These indicators are testament to the excellent leadership, technical expertise, and strong collaboration of all partners involved,” said Issa Faye, Director of Sector Economics and Development Impact, IFC. “While we recognize there is much work to be done to fully harmonize impact measurement and reporting, this is an important step forward for the industry.”

Institutions adopting the JII are signaling their intent to use these indicators and participate in a broader conversation that builds on the harmonization effort. This is a first step toward identifying a core set of indicators that can help define a minimum scope for impact measurement and reporting for all impact investors.

“Rigorous, credible impact measurement and management are fundamental to the integrity of the impact investment market,” said Amit Bourit, CEO of the GIIN. “The JII – which complements IRIS+ Core Metric Sets – will increase the understanding of impact performance. Once investors adopt common indicators, the industry can move in the direction of comparability of impact investments, so they can know what will generate the greatest impact. This is crucial, because the challenges the world faces are far too urgent for capital to underperform.”

The JII will help reduce reporting burden on investee companies and increase the availability of comparable impact data to inform decision-making. By setting clear and common indicators, the JII will help capture the economic, social, and environmental impacts of investments, allowing investors to improve their effectiveness, transparency, and accountability.

This approach is in line with the [Operating Principles for Impact Management](#) launched in 2019 and already adopted by nearly 120 financial institutions from 30 countries managing over \$360bn in impact assets

RESOURCES

[IRIS+](#)

[HIPSO](#)

[Operating Principles for Impact Management](#)

ABOUT IFC

IFC—a member of the World Bank Group—is the largest global development institution focused on the private sector in emerging markets. We work in more than 100 countries, using our capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2020, we invested \$22 billion in private companies and financial institutions in developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity. For more information, visit www.ifc.org.

ABOUT THE GIIN

The Global Impact Investing Network (GIIN) is the global champion of impact investing, dedicated to increasing the scale and effectiveness of impact investing around the world. Impact investments are investments made into companies, organizations, and funds with the intention to generate positive, measurable, social and environmental impact alongside a financial return. Impact investments can be made in both emerging and developed markets and target a range of returns from below market to market rate, depending upon investors' objectives. The GIIN builds critical infrastructure and supports activities, education, and research that help accelerate the development of a coherent impact investing industry. For more information, please visit www.thegiin.org.

ABOUT IRIS+

IRIS+ is the generally accepted system for impact investors to measure, manage, and optimize their impact. This comprehensive system makes it easier for investors to translate their impact intentions into real impact results. IRIS+ provides investors with access to Core Metrics Sets to increase data clarity and comparability across portfolios, is aligned to other frameworks such as the United Nations Sustainable Development Goals, and provides practical, how-to guidance and resources—all in one easy-to-navigate system.

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 28 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 widely used by DFIs, impact investors, and other development partners. The metrics are also in alignment with the United Nations Sustainable Development Goals.

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