

**CENTRE**  
*for* **SOCIAL**  
**IMPACT**

# Financial inclusion action plan Evaluation

**Evaluation Framework Part II:  
Measuring the FIAP impact**

*March 2017*

## **The Centre for Social Impact**

The Centre for Social Impact (CSI) is a collaboration between the University of New South Wales, The University of Western Australia and Swinburne University of Technology. CSI's mission is to create beneficial social impact in Australia through teaching, research, measurement and the promotion of public debate. We aim to consider and promote best practice and thought leadership in the context of a systems thinking approach to social purpose.

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## INTRODUCTION

Three million people living in Australia are severely or fully financially excluded. These individuals and their families are at higher risk of financial hardship, such as poverty, financial stress and vulnerability to predatory lending practices, and poor social, emotional and health outcomes. While financial exclusion levels haven't changed markedly over the past 8 years; income gaps and financial hardship increased following the 2008 global financial crisis.

Against this background, in May 2015, the Australian Government pledged to develop the country's first Financial Inclusion Action Plan (FIAP) program (GSM 2015). This was part of the commitment made by G20 leaders, including Australia, to rebuild a resilient financial system in the wake of the Global Financial Crisis (GPMI 2014). The FIAP program, led by Good Shepherd Microfinance (GSM) in partnership with the Department of Social Services (DSS), Ernst and Young (EY) and the Centre for Social Impact (CSI), is based on a coordinated and systemic approach to creating a fairer and more just society. In line with Australia's obligations to the G20 Financial Inclusion Action Plan and the United Nation's Sustainable Development Goals, the FIAP program aims:

*To realise inclusive growth for individuals and communities in Australia by reducing inequalities and increasing financial inclusion and financial resilience through collective actions of organisations across industry, government, academia and the community sector*

### **The evaluation framework**

This document forms part two of the evaluation framework for FIAP. It describes:

- How we will know if FIAP has been successful in achieving its purpose.

In the first part of the evaluation framework we examined:

- What the FIAP program is, its purpose and key concepts associated with it
- How Australia is currently faring in relation to financial inclusion and who is most vulnerable to financial exclusion.

Measurement and evaluation are important components of any program. Measuring outcomes and impacts allow organisations and sectors to demonstrate change, or lack thereof, and know where and for whom they are making a difference. Measurement and evaluation also provide evidence that can be used for multiple purposes, including: learning and development; seek funding; accountability; and benchmarking (Kristy Muir & Bennett, 2014).

An evaluation framework provides a plan that outlines the evaluation approach and guides the evaluation process. In other words, it documents **what** we need to measure to determine whether the FIAP program is achieving change, **how** we will do so and **when**.

The FIAP evaluation seeks to answer the following questions:

1. **Building a baseline:** Where are we now? Who is vulnerable?
  - Tracking macro population trends with regard to inclusive growth,; identifying differences between demographic groups to identify who is missing out
  - Short-term measures of organisational and industry level indicators related to inclusive growth, economic inequalities, financial inclusion and resilience for each FIAP trailblazer organisation, compared to overall industry outcomes where data are available; and between demographic groups where data are available.
2. **Outcome and Process Evaluation:** How will we get there? What's working, what isn't and what should be changed in the future?
  - An **Outcome Evaluation** to determine the impact of the FIAP program and what has changed since the baseline was established, to be repeated at 3, 5 and 10 years to measure progress and ultimately the long-term impact of FIAP.

- A **Process Evaluation** to determine what has facilitated and hindered the establishment and implementation of FIAPs.

This report focuses on addressing question two.

In this report we map the measurement of FIAP over time and detail how CSI will implement the evaluation in the FIAP Foundation year (Nov 2016-Nov 2017). During this year CSI will establish the FIAP baseline and start to investigate short-term outcomes. Measurement of long-term change and impact will go far beyond the foundation year. We will also adopt the try, test and learn approach to establish whether our FIAP theory of change works.



In this report we describe:

- Why evaluation and impact are important
- The FIAP theory of change
- The evaluation of the FIAP program, including emulation effects
- The evaluation of the collective actions of FIAP organisations
- Implementation of the evaluation in the Foundation FIAP year (baseline outcome evaluation and process evaluation)

We also note that while FIAP seeks to contribute to change in macro (population level) outcomes for Australia (e.g. Gini-co-efficients and other determinants of economic growth and overall population level inequalities), we acknowledge it is not possible to attribute them directly to FIAP. Changes can only be tracked at the FIAP organisational level based on their activities and intended target groups, by monitoring changes for these groups over time.

## **BACKGROUND: HOW WILL WE KNOW IF FIAP IS SUCCESSFUL?**

In this section we describe how we will know if FIAP is successful. In other words, how will we evaluate and measure the impact and process of FIAP.

### ***Why evaluation?***

Measurement and evaluation are important components of any program. Measuring outcomes and impacts allow organisations and sectors to demonstrate change, or lack thereof, and know where and for whom they are making a difference. It can also provide evidence that can be used for learning and development; seek funding; accountability; and benchmarking (Muir & Bennett, 2014).

### ***What is impact?***

Impact is the longer-term outcomes that are achieved from a program or initiative. Outcomes are changes in attitudes, values, behaviours or conditions that occur between a baseline and subsequent points of measurement. These changes can be short-, medium- or long-term. Achieving impact takes time and the FIAP program acknowledges it may at least 10 years to realise reduced inequalities and increased inclusive growth. Establishing a measurement baseline is important to understand the change that occurs over time.

### ***Shared measurement***

This evaluation framework will help establish shared measurement among FIAP organisations. Shared measurement is a process for coordinating consistent measurement and evaluation (e.g. how to measure, what indicators to use). It is also a tool for collecting and measuring results consistently across groups (Parkhurst, 2014; Ogain et al. 2013). The benefits of shared measurement include improved efficiency, quality, knowledge and coordination (Kramer et al. 2009; Lumley et al. 2011).

By using a common set of indicators – shared indicators – it is easier to benchmark and compare against the population. It also helps increase the reliability of indicators selected and used. If common indicators are used and data is de-identified and shared, we can build a picture of the collective actions and efforts of FIAP organisations, while recognising that FIAP actions are not uniform. An indicator bank has been developed to support shared measurement and will be described in further detail later.

Outcomes should be reported with descriptive information to help aid understanding about the circumstances under which change occurs. Effective implementation of shared measurement requires standardised indicators (Muir & Bennett, 2014).

### ***Establishing a FIAP baseline***

Measuring change, requires the establishment of a baseline. This means understanding where we are at the beginning of the FIAP program, so that when we can measure how far we've come in the future. We have started to establish the population baseline for FIAP in Part I of the evaluation framework (concepts and population baseline). In the foundation year of FIAP (Nov 2016-Nov 2017), we will also establish the baseline for FIAP trailblazer organisations. Baseline outcomes can then be monitored over time (i.e. at years 1, 3, 5 and 10) to track changes demonstrated by the FIAP trailblazers for groups of targeted people (e.g. differences between baseline data and outcomes over time for vulnerable population groups). In the longer-term we will be able to monitor change in inclusive growth, reduced inequalities, financial inclusion and resilience within and across cohorts, particularly those identified as vulnerable, at the population level.

### ***Measuring outcomes and processes***

In addition to evaluating outcomes from the FIAP program and the collective actions of the FIAP organisations, the evaluation will also examine the processes involved in establishing and implementing FIAP. The process evaluation is part of understanding the circumstances under which change occurs and for whom. The process evaluation is formative and will examine facilitators and barriers to FIAP's effective

establishment, implementation, governance and outcomes. Lessons learnt from the process evaluation will be critical for ensuring the success of the FIAP program as more organisations join FIAP.

### ***Ethics***

The collection and analysis of evaluation data will be subject to a rigorous ethical process via the UNSW Human Ethics Committee.

## WHAT IS THE FIAP THEORY OF CHANGE?

Before establishing what we need to measure and how, it is important to establish the theory of change for FIAP. A theory of change is “a visual representation of how a program or initiative should work by linking inputs (the resources that go into a program), activities (what the program does), outputs (the number of people, places, supports, activities the program has produced), outcomes (what changes have occurred) and impact (long term change)” (Muir & Bennett, 2014).

Figure 1: Theory of change



The FIAP theory of change outlines the inputs and activities that support FIAP and the outputs and outcomes we need to measure in order to know if the FIAP program is successful in achieving impacts i.e. that increased financial inclusion and resilience will be major contributors to reduced inequalities and inclusive growth.

The theory of change examines two elements of FIAP. Firstly it covers the effort of the FIAP Program overall (the structure that supports FIAP organisations implementing change) and secondly it covers the efforts of FIAP organizations who are changing what they do and how they do it (their actions). The theory of change will be tested during the FIAP foundation year.

The theory of change demonstrates that through a range of activities undertaken by FIAP organisations and simultaneous action by the FIAP Program team, we expect customers and staff to experience an increase in financial inclusion and resilience, which will in turn contribute to inclusive growth and reduced inequalities. We also anticipate that FIAP organisation’s activities that engage staff, suppliers and stakeholders will have both a direct and indirect impact on increasing financial inclusion and resilience for individuals experiencing financial exclusion and hardship more broadly (beyond the customer base).

The theory of change is set out in two figures below. The first (Figure 2) shows the **inputs, activities and outputs** of the FIAP program and FIAP organisations. The second (Figure 3) identifies **short, medium and long-term outcomes** that we hypothesise will lead to impact. The theory of change recognises that the nature of potential outcomes can vary based on the varying activities of FIAP organisations. In Figure 3, the outcomes for the FIAP Program are outlined in orange, while the rest of the outcomes are the ones we expect to result from actions of FIAP organizations.

Figure 2: Theory of change part A: inputs, activities and outputs

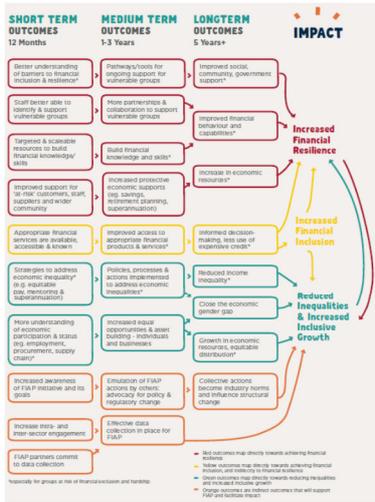
Inputs, Activities & Outputs of FIAP Program	Inputs, Activities & Outputs of FIAP organizations
<p>The FIAP Program <b>inputs</b> (what we invest) are:</p> <ul style="list-style-type: none"> <li>• Time and expertise of the:                             <ul style="list-style-type: none"> <li>○ FIAP secretariat</li> <li>○ FIAP program implementation team</li> <li>○ Partnership group</li> <li>○ Advisory group</li> <li>○ FIAP organisations (i.e. trailblazers)</li> </ul> </li> <li>• Commitment to importance of FIAP among stakeholders</li> </ul>	<p>FIAP organizations’ <b>inputs</b> (what we invest) are:</p> <ul style="list-style-type: none"> <li>• Time and expertise of the FIAP organisations (i.e. trailblazers)</li> <li>• Commitment to importance of FIAP among stakeholders</li> <li>• Financial resources</li> <li>• Facilities and equipment</li> <li>• Research and evidence</li> </ul>

<ul style="list-style-type: none"> <li>• Financial resources</li> <li>• Facilities and equipment</li> <li>• Research and evidence</li> </ul>	
<p>The FIAP <b>activities</b> (what we do and how we do it) are:</p> <ul style="list-style-type: none"> <li>• The FIAP principles: impact, relationships, learning and reporting</li> <li>• Effective governance</li> <li>• Support for a monitoring and evaluation function</li> <li>• Communication and engagement (and promotion) about inclusive growth, economic inequalities, financial inclusion and resilience and the purpose of FIAP</li> <li>• Support organisations as they create and implement their FIAPs</li> </ul>	<p>FIAP organizations’ <b>activities</b> (what we do and how we do it) are:</p> <ul style="list-style-type: none"> <li>• Organisational FIAPs - to be determined by each organization, in consultation with FIAP program</li> <li>• Quality assurance of organizational FIAPs</li> </ul>
<p>The FIAP Program <b>outputs</b> (how much we do and how many we serve) are:</p> <ul style="list-style-type: none"> <li>• Guidance for FIAP organisations regarding alignment with FIAP principles and purpose</li> <li>• Events and communications about financial resilience, financial inclusion, inclusive growth, economic inequality and the purpose of FIAP, including Communities of Practice (CoP)</li> <li>• Stakeholder group communications and convenings about FR, FI, Inclusive Growth, Econ inequality and purpose of FIAP</li> <li>• Consultations, trainings and other supports provided to stakeholders as they engage with FIAP, develop statements of commitment and their FIAPs.</li> </ul>	<p>FIAP organizations’ <b>outputs</b> (how much we do and how many we serve) are:</p> <ul style="list-style-type: none"> <li>• Dependent on the activities organisations pursue (details can be found in each of the organisational FIAPs)</li> </ul>

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Figure 3: Theory of change part B: outcomes and impact



There are a number of assumptions that underpin this theory of change, which are detailed below.

**Table 1: Assumptions for FIAP theory of change**

Domain	Assumptions
Political	<ul style="list-style-type: none"> <li>• Stable government</li> <li>• Continued government support for FIAP</li> </ul>
Economic	<ul style="list-style-type: none"> <li>• No macro-economic changes</li> </ul>
Social	<ul style="list-style-type: none"> <li>• Organisations feel socially responsible</li> <li>• Existing supports to address social and economic disadvantage remain in place (e.g. housing assistance, social security)</li> </ul>
Technological	<ul style="list-style-type: none"> <li>• Appropriate technology is available to collect data</li> </ul>
Legal	<ul style="list-style-type: none"> <li>• No regulations acting as a barrier to participation in FIAP</li> <li>• Vulnerable consumers continue to be protected from predatory lending</li> </ul>
Intent	<ul style="list-style-type: none"> <li>• FIAP organisations and other partners are committed to and have intent to improve social outcomes</li> </ul>

## ESTABLISHING AN INDICATOR BANK

An indicator bank has been established to measure baseline outcomes and the short, medium, and long term outcomes of FIAP. Indicators are measures that show whether progress is being made on individual outcomes or goals. These indicators have emerged from the theory of change (what is known and what we hypothesise about how FIAP will work). The indicator bank is detailed in Table 2 below. It maps indicators against the FIAP outcome areas and move the dial actions. These indicators were identified in partnership with EY, GSM and individual FIAP organisations.

The indicator bank recognises the systems approach of FIAP, with indicators mapping to the macro level (population/society level), organisation level (meso level) and individual level (micro level). In many cases individual level indicators can be aggregated to create an organisational level indicator and FIAP population level indicator. However, some indicators are specific to one level. We also recognise the need to measure actions that may occur at one level (for example, the organisation) in order to increase individual financial inclusion and resilience. Further information about how the indicator bank will be applied is detailed below. However, we note that since FIAP organisations have a range of different activities, not all indicators will be relevant or applicable to all organisations.

CSI's systematic approach (Bennett, Reeve, Muir, Marjolin, & Powell, 2016) was used to select and assess the indicators included in the report. The process includes: establishing and understanding the *purpose* of FIAP; a *review* of existing indicators in the literature and practice; *assessment of indicators* against predefined selection criteria; and finally, *selection* of indicators. This approach involved assessing the indicators against critical selection criteria to determine whether the indicators were: 1) feasible, 2) important, and 3) usable. We also considered whether indicators were specific, validated, reliable, accessible, acceptable and appropriate.

Figure 4: Indicator selection and assessment process



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**Table 2: FIAP Indicator bank**

Note, this is a bank of indicators, not all indicators will be relevant to the actions of all FIAP organisations and there may be data gaps especially in the early years of FIAP (i.e. the Foundation FIAP year and year one)

FIAP outcome areas	Move the dial strategies	Indicators to measure progress in outcome areas		
		Population level	Organisational level	Individual level
		Macro-economic conditions	Organisation specific indicators or industry level benchmarks	Data collected from or about individuals within orgs – can be aggregated to organisational level and FIAP program level
Inclusive growth and reduced inequalities	Address economic participation and employment opportunities	<ul style="list-style-type: none"> <li>61.4% Employment rate<sup>1*</sup></li> <li>5.6% Unemployment rate*</li> <li>8.6% Underemployment*</li> <li>0.88 Ratio male to female Yr 12 completions<sup>2</sup></li> <li>Ratio male to female tertiary degree completions</li> </ul>	<ul style="list-style-type: none"> <li>Employee retention rate*</li> <li>Employee turnover*</li> <li>Programs and partnerships that improve educational outcomes*</li> <li>Proportion of male to female students (ed institutions only)</li> <li>Proportion of Indigenous to non-Indigenous student (ed institutions only)</li> </ul>	<ul style="list-style-type: none"> <li>No of employees*</li> <li>Staff would rather work more hours than currently employed</li> </ul>
	Increase economic resources and reduce income equality	<ul style="list-style-type: none"> <li>0.45 Gini coefficient</li> <li>24% Gender pay gap<sup>3</sup></li> <li>73% men, 66% women superannuation coverage (Proportion population without superannuation)</li> <li>44% male:female superannuation gender gap (Proportion difference in mean superannuation by gender)</li> </ul>	<ul style="list-style-type: none"> <li>Gender pay gap</li> <li>Superannuation coverage gender gap</li> <li>Women in leadership positions</li> <li>Indigenous pre-employment training</li> <li>Mentoring of Indigenous staff</li> <li>Training or career development for Indigenous staff and clients</li> </ul>	<ul style="list-style-type: none"> <li>Superannuation coverage of staff</li> <li>Superannuation coverage of clients</li> </ul>
	Promote savings and other supports that protect people in times	<ul style="list-style-type: none"> <li>9.7% of people have no savings</li> <li>17.3% of people are just managing to pay or are over-indebted</li> </ul>	<ul style="list-style-type: none"> <li>Affordable loans*</li> <li>Savings incentives for vulnerable groups</li> </ul>	<ul style="list-style-type: none"> <li>Insurance policy holders*</li> </ul>

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FIAP outcome areas	Move the dial strategies	Indicators to measure progress in outcome areas		
		Population level	Organisational level	Individual level
	of need	<ul style="list-style-type: none"> <li>185% ratio of household debt to disposable income</li> <li>Insurance policy holders per 1000 adults (life and non-life)</li> <li>AUD 1.1 billion Payday loan volume estimate</li> <li>AUD 72, Cost of \$300 payday loan repaid over 4 weeks</li> </ul>	<ul style="list-style-type: none"> <li>Average customer debt</li> <li>Cost of financial services</li> </ul>	
<b>Financial inclusion</b>	Improve access to financial products and services	<ul style="list-style-type: none"> <li>18.3% of people fully or severely financially excluded</li> <li>5.6% of people have low or very low levels of financial products and services</li> </ul>	<ul style="list-style-type: none"> <li>Commercial bank branches per 100,000 adults</li> <li>Number of ATMs per 100,000 adults</li> <li>Face-to-face services</li> <li>Proportion of women clients accessing two or more distinct types of voluntary financial products</li> <li>Indigenous organisations/businesses you have you formed or maintained a partnership with</li> <li>Consumer banking satisfaction (Roy Morgan MFI)</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction</li> <li>Has conveniently located face-to-face services</li> <li>Has conveniently located ATMs</li> <li>Provides relevant information about products and services in clear and simple manner</li> <li>Made payment using a debit card</li> <li>High frequency of account use</li> </ul>
<b>Financial resilience</b>		<ul style="list-style-type: none"> <li>11.1% of people are experiencing severe or high financial stress/vulnerability</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	
	Improve and facilitate social, community and/or government support for vulnerable groups  Engage/Collaborate with stakeholders to	<ul style="list-style-type: none"> <li>10.4% of people have low or very low levels of social capital</li> </ul>	<ul style="list-style-type: none"> <li><i>Collaborations/partnerships with relevant services to provide appropriate pathways of support</i></li> <li><i>Amount spent on Indigenous business</i></li> </ul>	

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FIAP outcome areas	Move the dial strategies	Indicators to measure progress in outcome areas		
		Population level	Organisational level	Individual level
	identify pathways of support for vulnerable groups			
	Build financial knowledge, skills and capabilities of vulnerable groups	<ul style="list-style-type: none"> <li>50.0% of people have low or very low levels of financial knowledge and behaviour</li> </ul>	<ul style="list-style-type: none"> <li><i>Number of clients attending financial literacy programs*</i></li> <li><i>Proportion of women clients who attend financial education programs</i></li> <li><i>Initiatives are accessible and appropriate</i></li> </ul>	
	<p>Increase understanding of vulnerable groups among stakeholders</p> <p>Improve the capacity, attitude and behaviours of staff to support financially excluded and vulnerable groups</p>		<ul style="list-style-type: none"> <li><i>Number of staff undertaken training around financial inclusion and resilience</i></li> <li><i>Number of staff undertaken training to understand needs and risks of financially excluded customers</i></li> </ul>	
	Support customers in times of need	<ul style="list-style-type: none"> <li>29.5% of people have low or very low levels of economic resources</li> </ul>	<ul style="list-style-type: none"> <li><i>Accessible products and services to support those in financial hardship</i></li> <li><i>Take up of products and services to support those in financial hardship</i></li> </ul>	

Notes: *Italicised indicators* are proxy indicators of financial resilience.

\*These indicators should be disaggregated by demographic groups to identify how key vulnerable groups are faring, including: by gender, Indigenous status

1. This is calculated as employment to population ratio

2. This is calculated for 20-24 year olds; 73% of males and 83% of females in this age group completed year 12

3. Calculated at full time total remuneration level. It reduces to 19% when it is calculated at full time base salary

## EVALUATION QUESTIONS AND METHODS

The FIAP evaluation is designed to answer a number of questions about the program as a whole and the actions of FIAP organisations specifically. The evaluation will use quantitative and qualitative research methods and multiple sources of information to assess processes and impact, i.e. to measure change over time and provide information that can contribute to program improvements.

The tables below summarise the FIAP evaluation. It details the questions guiding the evaluation, the schedule for when data will be collected over the life of the program (noting that many of the intended outcomes will take time to achieve), who data will be collected from (sources) and the methods for data collection.

**Table 3: Evaluation questions, schedule, sources and methods**

Evaluation questions	Schedule of data collection				Sources	Methods			
	B	S	M	L		Policy, document & procedure analysis	Secondary data analysis (e.g. ABS)	Interviews	Survey
<b>Process evaluation questions</b>									
1. What were the motivations and expectations of FIAP participants?	X				FIAP orgs; Prog team; P'ship; Advisory			✓	
2. What have been the challenges and successes in establishing the FIAP program and organisational FIAPs	X	X	X	X	FIAP orgs; Prog team; P'ship; Advisory			✓	✓
3. What have been the challenges and successes in resourcing the FIAP program and implementing actions?	X	X	X	X	FIAP orgs; Prog team; P'ship; Advisory			✓	✓
4. What activities and outputs has the FIAP program produced or achieved?	X	X	X	X	FIAP orgs; Prog team; P'ship; Advisory	✓			✓
5. What challenges and successes have occurred in relation to FIAP activities and outputs?	X	X	X	X	FIAP orgs; Prog team; P'ship; Advisory			✓	✓
6. To what extent have FIAP organisations (and other participating organizations) committed to data collection?		X			FIAP orgs; Prog team; P'ship	✓		✓	
7. To what extent is effective data collection in place, for FIAP partners?			X		FIAP orgs; Prog team; P'ship	✓		✓	
8. What other (internal/external) factors may be affecting the implementation of actions and achievement of outcomes (FR, FI, RI & IG)?		X	X	X	FIAP orgs; Prog team; P'ship; Advisory			✓	✓

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9. What improvements should be made to the FIAP program?	X	X	X	X	FIAP orgs; Prog team; P'ship; Advisory			✓	✓
<b>Outcome (impact) evaluation questions</b>									
10. Are the intended FIAP outcomes being achieved (FR, FI, RI & IG)? For whom?	X	X	X	X	FIAP orgs; Prog team; P'ship	✓	✓		✓
11. How has FIAP program contributed to achievement of outcomes (FR, FI, RI & IG)?		X	X	X	FIAP orgs; Prog team; P'ship; Advisory	✓	✓	✓	✓
12. To what extent are FIAP organisations' actions contributing to the achievement of these outcomes (FR, FI, RI & IG)?	X	X	X	X	FIAP orgs; Prog team; P'ship	✓	✓		
13. To what extent have FIAP organisations (and other participating organizations) increased their intra- and inter-sector engagement?		X	X	X	FIAP orgs; Prog team			✓	✓
14. Has awareness of FIAP program and issues related to financial resilience, financial inclusion, inequality, and inclusive growth increased?		X	X		FIAP orgs; Prog team; P'ship; Advisory; Ind; Gov			✓	
15. To what extent has participation in FIAP changed (increased)?		X	X	X	FIAP orgs; Prog team; P'ship; Advisory	✓			✓
16. To what extent have FIAP actions been emulated by others and influences policy and regulatory change?			X		P'ship; Advisory; Ind; Gov				
17. Have FIAP collective actions become industry norms?				X	FIAP orgs; Prog team; P'ship; Advisory; Ind; Gov	✓		✓	
18. Have policies/structures changed to support financial resilience, financial inclusion, reduced inequality and inclusive growth?				X	FIAP orgs; Prog team; P'ship; Advisory; Ind; Gov	✓		✓	
<b>Abbreviations:</b>									
<p><b>FIAP orgs:</b> FIAP trailblazer organisations and other organisations that join the FIAP program beyond the Foundation FIAP year;</p> <p><b>Prog team:</b> Program implementation team (Good Shepherd Microfinance)</p> <p><b>P'ship:</b> Partnership group (Good Shepherd Microfinance, EY, Centre for Social Impact, Department of Social Services)</p> <p><b>Advisory:</b> Advisory group (representing a cross-section of community, industry and government)</p> <p><b>Ind:</b> Industry associations</p> <p><b>Gov:</b> Other government stakeholders</p>					<p><b>FR:</b> Financial Resilience</p> <p><b>FI:</b> Financial Inclusion</p> <p><b>RI:</b> Reducing Inequalities</p> <p><b>IG:</b> Inclusive growth</p> <p><b>B:</b> Data to be collected at baseline - Foundation FIAP year (Nov 2016-Nov 2017)</p> <p><b>S:</b> Data to be collected for short-term outcome evaluation</p> <p><b>M:</b> Data to be collected for medium-term outcome evaluation</p> <p><b>L:</b> Data to be collected for long-term outcome evaluation</p>				

### ***Policy, procedure and document analysis***

A range of policies, procedures and other documentation will be analysed as part of the evaluation. In relation to the FIAP program as a whole, this will allow us to understand the processes that have been implemented, and the subsequent outputs, by the FIAP program implementation team to support organisations as they create and implement their FIAPs, to raise awareness of the FIAP program, to engage further organisations in the FIAP program and to coordinate stakeholder communication and learning opportunities such as the FIAP CoPs.

FIAP organisations' policies and reports will also be analysed to establish the FIAP baseline and provide organisational level data against the indicator bank (described below), and in future years to measure change over time. A key challenge for FIAP organisations is the burden of reporting and data collection. Wherever possible we will therefore collect data from existing policies and reports, including but not limited to: annual reports, sustainability reports, reconciliation action plan (RAP) reporting and workplace gender equality agency (WGEA) reporting. Where possible data across FIAP organisations will be aggregated to provide a picture of the collective efforts of the FIAP program. In the foundation FIAP year, however, there may be gaps and inconsistencies in data that make this challenging. The evaluation will therefore also track the extent to which FIAP organisations commit to future data collection (short-term) and establish effective data collection (medium-term).

### ***Secondary data analysis***

A number of secondary data sources will be used to collect data primarily at the population level. Specific data and sources are detailed in the indicator bank, but include for example, data on:

- Employment trends from the Australian Bureau of Statistics (ABS)
- Financial resilience from the Centre for Social Impact's ongoing research
- Accessibility of banking facilities from the World Banking Financial Index
- Customer satisfaction from the Roy Morgan Main Financial Institution (MFI) satisfaction survey

By analysing this data at the baseline, we will be able to examine the contribution of FIAP to population changes in financial resilience, financial inclusion, reduced inequalities and inclusive growth. As noted previously, attribution specifically to FIAP will be challenging, although we will explore other factors that may have contributed to population change through qualitative data collection.

### ***Interviews and surveys***

Short interviews and surveys will be conducted with a range of stakeholders to understand and evaluate the process of FIAP. Stakeholders include those responsible for FIAP in FIAP organisations, the FIAP program implementation team, the Partnership group, the Advisory group and, in the medium and long-term, a wider range of stakeholders such as government and industry associations or peak bodies.

The process evaluation is formative and examines the implementation of the FIAP program and how FIAP organisations established and implemented their FIAPs. Interviews and surveys will explore facilitators and barriers to its effective establishment, implementation, governance and outcomes. Lessons learnt from the process evaluation will be critical for ensuring the success of the FIAP program as more organisations join FIAP.

The process evaluation will involve interviews and online surveys with FIAP trailblazer organisations, the FIAP program team (Good Shepherd Microfinance, EY and CSI), the Partnership group and the Advisory group in the foundation FIAP year.

Interviews and surveys will also be used to understand the circumstances under which change occurs, as well as addressing evaluation questions such as the nature and extent of collaboration between FIAP partners and the extent to which FIAP actions have been emulated by others and become industry norms.

Participation in interviews and surveys will be voluntary and in order to ensure genuine responses will be conducted by CSI researchers that are not part of the partnership group and without other members of the partnership present.

In addition there will be a survey of external stakeholders (government and industry not participating in the FIAP program) to measure the awareness of and emulation effect of FIAP. This will first take place towards the end of the foundation FIAP year, and be repeated each year the evaluation is conducted.

**Table 4: Key interview and survey questions**

Interview questions	Stakeholder group				
	FIAP orgs	Prog team	P'ship	Advisory	Gov/Ind
What is your role in relation to FIAP?	X	X	X	X	X
What is important to you and your organisation about FIAP?	X	X	X	X	
What was the trigger for you/your organisation to engage with FIAP?	X	X	X	X	
What do you think you or your organisation have contributed to FIAP?	X	X	X	X	
Has the implementation of FIAP been successful from your perspective?	X		X		
What could have been done to improve the establishment/implementation of FIAP? In terms of external (e.g. FIAP program team) and internal supports (in your org)	X	X	X	X	
What have been the main challenges for you, or your org, regarding FIAP?	X	X	X	X	
Has FIAP and your organisations involvement with FIAP met your expectations?	X	X	X	X	
If you were to start the FIAP implementation again, is there anything you would do differently?	X				
Which of your actions do you think are most effective? Least effective?	X				
Has FIAP enabled you to do things you would not have been able to otherwise?	X				
To what extent have you worked with others outside your organisation to support FIAP or achieve your FIAP goals?	X				
Do you think that any of your FIAP actions may move towards industry standards? What needs to happen for this to occur?	X				
What impact, if any, has the FIAP program had on policies, strategies or discussions in your organisation or the work you do?			X	X	X

## **WHAT WILL HAPPEN IN THE FOUNDATION FIAP YEAR (2016-17)?**

Between December 2016 and November 2017, CSI will implement the baseline outcome evaluation and the foundation FIAP year process evaluation. This will include the range of activities identified against the baseline in table 3 above. More specifically it will include the activities as described in Table 5 below.

### ***Baseline outcome evaluation activities***

#### **The indicator bank baseline**

CSI will populate the indicator bank with population level data (completed December 2016 and included in the indicator bank in table 2 of this report) and publicly available FIAP organisation level data (e.g. from annual reports, corporate sustainability reports, RAP reporting, WGEA reporting and other relevant materials). Organisational level data will be circulated to the relevant organisations for review in March/April 2017 and organisations will have the opportunity to provide comments and/or additional data.

Where possible organisational level data will be aggregated at the FIAP level and at an industry level (for example, banking industry). Data will also be benchmarked against industry level data collections where available and relevant.

In the foundation FIAP year, much of the organisational level data may be qualitative rather than quantitative. While this may make it difficult to aggregate data (at least for all indicators), thematic analysis will be used to analyse the qualitative data. Findings will be de-identified before being included in the evaluation report.

Wherever possible, indicators will make comparisons between vulnerable groups and the general population. However, we recognise that in the short-term particularly, some organisations may have challenges identifying vulnerable groups from their general customer/client base.

If FIAP organisations release any confidential or commercially sensitive data to CSI, this data will only be shared with FIAP partners if it can be aggregated and/or safely anonymised, unless FIAP organisations have given explicit consent that data can be shared.

The indicator bank will be updated where new data is available to include in the draft evaluation report in Oct 2017.

#### **Collaboration**

Collaboration between partners (either within or external to the FIAP program) is a key component of the FIAP program and will be necessary for many of the participants to achieve their intended outcomes.

Collaboration will be tracked in two ways through 2017. Around the time of each CoP, FIAP organisations will receive a short-survey to provide information about their collaborative efforts over the last quarter. In addition to this, interviews will be conducted mid-way through the year to find out further information about collaboration efforts, for example, where they have been most useful, how they have occurred, key challenges and successes. Lessons learnt from this will help support collaborative efforts into the future.

#### **Awareness and Emulation**

A key component of FIAP is the extent to which FIAP actions are accepted as industry norms and taken up by industry bodies, peak associations and other organisations that may not be directly involved in the FIAP program. While we anticipate that emulation will be a long-term outcome, in the foundation FIAP year we will start to examine the extent to which there is awareness of the FIAP program more broadly, as this is likely a prerequisite for emulation. This will be achieved using a population survey in the third quarter of 2017.

In addition to this, we will collect regular data from Good Shepherd Microfinance regarding new organisations contacting them about getting involved in the FIAP program. This will include information about how they found out about FIAP and their motivations and whether or not initial contact leads to the development of a FIAP.

**Process evaluation activities**

A number of activities will take place through the foundation FIAP year to understand the processes supporting the establishment and implementation of FIAP.

The first activity will be interviews with all FIAP stakeholders to understand their motivations and expectations of the FIAP program. This will enable us to measure with expectations have been met in the future. These interviews will be conducted with FIAP trailblazers in February and other stakeholders in April.

FIAP organisations will also be invited to complete a short online survey in March/April to understand satisfaction with the establishment and implementation of the FIAP program and their individual FIAP. *Note this will be combined with the survey about collaboration described above.* This will be important for improving the experience of organisations that join FIAP in the future. A similar survey will be conducted later in the year to track how implementation is going. This will be combined with the survey about collaborative efforts.

**CSI Reporting**

Short progress reports (1-2 pages) will be delivered two weeks prior to Partnership Group meetings. The progress reports will summarise *what* has occurred in relation to the evaluation since the previous CoP and highlight up to three key findings that are emerging.

An evaluation report will be produced at the end of the foundation FIAP year (November 2017). This report will include:

- The FIAP indicator bank
  - With updated population level data and, where possible, industry level data and aggregated organisational data (i.e. the sum of FIAP organisations) to enable the possibility to demonstrate collective action in future and to provide a benchmark for measuring change in subsequent year
- FIAP program outcomes, particularly regarding collaboration and early emulation
- Process evaluation findings, the successes and challenges of FIAP so far
- Recommendations for future data collection/reporting/ evaluation.

FIAP partners will have the opportunity to comment on a draft report in October before it is finalized in November.

**Workplan 2017**

**Table 5: Foundation year evaluation timeframe**

Evaluation activities 2017	J	F	M	A	M	J	J	A	S	O	N
Outcome evaluation: Establishing the baseline – update indicator bank with publicly available FIAP organizational data	X	X									
Process evaluation: Phone/email interviews about motivations and expectations (Feb - Trailblazers; April – Advisory & Partnership group)		X		X							
Outcome evaluation: tracking awareness and emulation using GSM data		X		X		X		X		X	

**Evaluation Framework II: Measuring impact**  
**Financial Inclusion Action Plan Evaluation**



Evaluation activities 2017	J	F	M	A	M	J	J	A	S	O	N
Process evaluation: Post CoP online survey for FIAP trailblazer organizations about satisfaction with establishment of FIAP and collaborative action				X							
Outcome evaluation: Phone/email check-in with FIAP organisations regarding their indicator bank data				X							
*Progress Report (mid-April)				X							
Process evaluation: Post CoP online survey for all FIAP organisations about FIAP implementation and collaborative action						X			X		
Outcome evaluation: Phone/email interviews about collaboration to date							X				
*Progress Report (mid-July)							X				
Outcome evaluation: Survey awareness and emulation of FIAP (external to FIAP stakeholders)								X			
Outcome evaluation: Update indicator bank with new population and organizational level data where available									X		
*Draft evaluation report (early Oct)										X	
Feedback from FIAP partners (mid-late Oct)										X	
*Final evaluation report (mid-late Nov)											X

\*CSI deliverables

## **FREQUENTLY ASKED QUESTIONS**

### **What if our data is commercially sensitive?**

Some FIAP trailblazers and other FIAP partners are dealing with commercially sensitive data. To address this CSI will not share organisational data unless it can be aggregated with data from other organisations or unless the organisation provides explicit consent that it is ok to do so and in which circumstances.

### **How will we track how different cohorts of people are faring?**

FIAP trailblazers and other FIAP organisations will not all collect or report data in the same format or be able to identify vulnerable groups within their data. In the short-term, we will report data qualitatively if available. In the medium- to long-term we will examine the extent to which FIAP organisations commit to collecting data and

### **What is the indicator bank?**

The indicator bank is a suite of measures that will be used to assess whether the FIAP program has achieved its short, medium and long-term outcomes. It will also help to establish shared measurement over-time. However, since FIAP organisations each have their own actions and are working in very different sectors, not all indicators are relevant to all organisations participating in FIAP.

### **What if we are unable to collect new data?**

Some FIAP organisations will have limited capacity to collect new data. We acknowledge that this is a real challenge and where new data collection is required for specific indicators, we have included proxy indicators that will point towards similar outcomes in the short-term. We have also attempted to reconcile the requirements of FIAP with existing reporting practices to reduce the burden of data collection.

### **How can we use shared measurement if my FIAP actions are different to other organisations?**

The indicator bank has been designed to capture a diverse range of FIAP actions. Although we anticipate there will be an emulation effect over-time (which will be measured), shared measurement does not mean all organisations need to implement the same actions or have to collect and report on all indicators. Where data is available, however, organisational level indicator data will be aggregated to measure the collective action of the FIAP program. This might mean for example aggregating data from all FIAP organisations for one indicator, six FIAP organisations for another indicator, and ten FIAP organisations for a further indicator.

### **How can we attribute change to the FIAP program?**

While FIAP seeks to contribute to change in macro (population level) outcomes for Australia (e.g. Gini-coefficients and other determinants of economic growth and overall population level inequalities), we acknowledge it is not possible to attribute them directly to FIAP. Changes can only be tracked at the FIAP organisation level based on their activities and intended target groups, by monitoring changes for these groups over time.

The evaluation will also measure the emulation effect of FIAP. This means looking to see whether FIAP actions are becoming industry norms, for example whether other organisations, industry bodies and peak associations are taking up the actions as part of their business as usual.

### **What outcomes will we see at the end of the Foundation FIAP year?**

We know that it will take a substantial period of time to realise the impact of FIAP. In the foundation FIAP year, the evaluation will primarily be focused on establishing an outcomes baseline. This means knowing and understanding where we are now in order to have something to measure change against in the future. However, it is likely that some short-term outcomes identified in the theory of change will be starting to emerge. For example, establishing a better understanding of the issues affecting financial inclusion and resilience within FIAP trailblazer organisations, increased awareness of the FIAP program, and a

commitment to data collection among FIAP trailblazer organisations in order to better measure outcomes into the future. In addition, the foundation FIAP year will be critical to the try, test and learn approach. The process evaluation carried out through this year will be particularly helpful to understand what is working well about the FIAP program and what could improved. The lessons learnt from the process evaluation are critical to ensure that outcomes have the best opportunity of being achieved into the future.

