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**Agri-PDB
Platform**

Agricultural Public Development Bank Coalition

IMPACT KPI'S FOR AGRI-PDB FINANCING AGRICULTURE

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EXECUTIVE SUMMARY

Impact Indicators for Agricultural Public Development Banks (Agri-PDBs) financing agriculture

Methodological Foundation

This report draws on two complementary sources of knowledge. The first is a structured literature review covering international reference frameworks for impact measurement in development finance, IRIS+, IFC Performance Standards and AIMM, the SDGs, OECD-DAC results frameworks, and HIPSO, as well as published practices from leading development finance institutions and impact-oriented agricultural finance networks.

The second source is primary field evidence: semi-structured interviews conducted with five national agricultural public development banks operating across Africa, Latin America, and Asia, selected to represent a range of institutional contexts, financing models, and levels of impact maturity. Their mandates span food security, rural financial inclusion, agricultural value-chain development, and climate resilience financing.

These interviews were complemented by discussions with three international experts in development finance and impact measurement, practitioners with extensive experience in accompanying financial institutions through the design, governance, and operationalisation of impact frameworks across DFIs, microfinance institutions, and agri-finance networks. Their role was to validate field observations, identify cross-cutting patterns, and stress-test the practical feasibility of the recommendations.

A Shared Ambition, Uneven Execution

Every agricultural public development bank interviewed for this study recognises impact measurement as a strategic priority. Board-level commitment is real. Strategic plans reference food security, financial inclusion, rural employment, and climate transition. And yet, when examined through the lens of operational practice, the picture is more complex. The institutions studied reveal a wide spectrum: some have developed structured impact taxonomies, consolidated portfolio dashboards, and forward-looking estimation methods that feed directly into credit decisions; others rely on fragmented, project-by-project indicator lists driven primarily by donor requirements, with no unified methodology and limited capacity for portfolio-level aggregation. This divergence is not a failure of intent. It is the product of differences in institutional history, data infrastructure, governance

design, and the degree to which impact measurement has been treated as a management function rather than a reporting obligation.

The central lesson from this study, drawn from both the international literature and the practitioner evidence, is straightforward: what distinguishes effective impact systems is not the sophistication of the tools but the discipline of the design. Institutions that start from their mandate, select a limited number of outcome-oriented indicators, and integrate those indicators into the credit cycle consistently outperform those that accumulate indicators in response to external demands. This report translates that lesson into a concrete, actionable framework.

Context and Strategic Challenges

Public development banks with an agricultural mandate operate at the intersection of food security, rural employment, financial inclusion, and climate transition. In an environment of tightening public budgets, rising climate risk, and heightened accountability demands from shareholder states, donors, and governance bodies, traditional performance metrics, loan volumes, number of beneficiaries, portfolio growth, are no longer sufficient. These metrics describe what banks disburse, not what they achieve. The transformation underway in development finance requires Agri-PDBs to move from volume-based reporting to impact-oriented decision-making: demonstrating not only how much they finance but what change that financing delivers for beneficiaries, territories, and ecosystems. This shift has also become a practical prerequisite for accessing concessional resources, climate finance, and thematic instruments such as green and social bonds, making impact management an institutional survival question as much as a development one.

The Problem: Four Structural Limitations

The interviews conducted for this study reveal that while impact is universally recognised as a priority, its operational translation is consistently held back by four structural limitations that appear across institutions regardless of geography or size.

- 1. Low Decision Use.** Impact indicators are collected primarily for external audiences, donors and governance bodies, rather than for internal management. They rarely inform strategic or operational decisions at credit committee or board level.

- 2. Aggregation Difficulty.** Data are difficult to consolidate and compare at portfolio level because indicators are defined differently across donor frameworks, and because information systems were not designed to integrate impact data alongside financial data.
- 3. Operational overload.** Multiple parallel reporting requirements, each donor imposing its own indicator set, create heavy workloads that crowd out the analytical use of impact information and reduce its decision relevance.
- 4. Confusion between ESG and impact.** ESG compliance metrics are routinely conflated with development impact indicators, diluting the credibility and governance usefulness of both and blurring accountability for actual development results.

These limitations are structural, not incidental. They call for a systemic response, one that reframes impact measurement as a management function embedded in the institution's governance, not as a donor-facing reporting layer added on top of it.

In addition to these four limitations, the full report underscores challenges related to data collection costs, limited internal capacity, fragmentation of reporting frameworks and difficulties in attributing results.

Four Core Messages

Four messages run through this report, each grounded in both the international evidence base and the practitioner interviews.

- 1. Impact indicators are a strategic management tool, not a reporting exercise.** When properly designed, they sharpen capital allocation, strengthen mandate accountability, and support access to concessional and climate finance. The question is not whether to measure impact, but whether to use it.
- 2. Relevance and actual use matter more than volume.** A bank that uses eight indicators in credit decisions consistently outperforms one that reports forty to donors and acts on none. The value of an impact system lies entirely in how it informs decisions, not in how many indicators it tracks.
- 3. Selective alignment with international frameworks strengthens credibility without burdening internal systems.** IRIS+, IFC AIMM, SDGs, and HIPSO are reference tools, not prescriptions. Indicators must be anchored first in the institution's own mandate, then mapped outward to frameworks, not the other way around.

4. **A progressive approach is the only implementation path that works.** Starting with pilots in selected portfolios before scaling is the only approach observed to consistently generate internal buy-in, control data costs, and produce systems that endure. Institutions that attempt full deployment without piloting consistently report fragmentation, staff resistance, and low decision use.

Other success factors highlighted in the main report include strong leadership commitment, the mobilization of multidisciplinary skills, simplicity and integration of digital tools, and transparency and communication.

A. For Decision-Makers: From Volume to Impact

Why Impact Measurement Is a Governance Responsibility

Development banks have historically been assessed by quantitative outputs: credit volume, number of beneficiaries, portfolio growth. These remain necessary for financial supervision but do not capture the quality of the changes that financing enables. Measuring impact means evaluating how interventions improve beneficiaries' living conditions, strengthen agricultural systems, and ensure the sustainability of rural territories. This shift from activity counting to results orientation serves multiple governance purposes: demonstrating public value in a budget-constrained environment, steering resources toward high-impact segments and instruments, aligning the institution's mandate with its operational reality, and strengthening the credibility of dialogue with shareholder states, donors, and financial partners. The practitioner interviews are unambiguous on one point: institutions that have embedded impact into governance systematically report stronger relationships with development partners and better access to diversified financing.

Three Governance Questions

The literature review and practitioner evidence converge on three questions that any impact-indicator system must be able to answer for boards and executive committees. Together they form a practical governance test for whether a KPI is genuinely strategic or merely reportable.

1. **What change do we want to produce?** Indicators must derive explicitly from the public mandate and strategic priorities, food security, financial inclusion, rural employment, environmental transition, rather than being imported from external

frameworks. If an indicator cannot be traced to a mandate priority, it should not be in the core set.

2. **Where should capital be directed to maximise impact?** KPIs must enable meaningful comparison across products, segments, and portfolios. Without this comparative dimension, impact data cannot guide resource allocation or product design, it can only describe what has already happened.
3. **How do we know the strategy is working?** Indicators must be integrated into governance dashboards and reviewed regularly alongside financial metrics. Boards that cannot answer this question with evidence are unable to make timely corrections or hold management accountable for development results.

Clarifying the Scope: Impact, ESG, and External Reporting

One of the clearest and most consistent findings from the practitioner interviews is that confusion between three distinct functions, ESG risk management, impact measurement, and external donor reporting, is a primary source of system dysfunction. ESG indicators identify and manage environmental, social, and governance risks, serving the 'do no harm' principle. Impact indicators measure positive changes generated by financing, aligned with the development mandate. External reporting responds to heterogeneous donor requirements. These three functions are complementary but not interchangeable. A robust system requires a clear hierarchy among them: impact indicators take precedence as the institution's primary performance language; ESG management provides the governance foundation that gives those indicators credibility; external reporting is derived from the internal system, not the other way around. Institutions that have inverted this hierarchy, building their impact system from donor requirements outward, consistently report the lowest levels of internal decision use.

B. International Framework Alignment

Numerous international frameworks provide reference points for impact measurement in development finance. The literature review and practitioner conversations converge on a fit-for-purpose approach: each framework is mobilised according to its comparative advantage rather than adopted wholesale. IRIS+, developed by the Global Impact Investing Network, provides a structured library of over 500 standardised metrics. Its primary value for Agri-PDBs is definitional standardisation, reducing interpretive divergences across teams and lending lines, enabling year-on-year comparability, and

facilitating benchmarking with peer institutions. Advanced practitioners treat IRIS+ as a methodological reference from which they selectively choose indicators, not as a complete management system. The IFC's Anticipated Impact Measurement and Monitoring (AIMM) system embeds impact as an explicit ex-ante decision criterion alongside financial and risk analysis, its core contribution is demonstrating that impact assessment can be integrated into the credit approval process rather than appended to it. The SDGs provide a common narrative language connecting institutional activities to national and global development priorities; their value is communicative rather than operational. The OECD-DAC results chain, from inputs to activities, outputs, outcomes, and long-term impacts, provides the analytical logic that prevents institutions from confusing disbursements with development change. HIPSO enables aggregate result reporting and benchmarking in co-financed operations involving multiple development finance institutions.

The practitioner evidence adds three concrete implementation benchmarks. The eco.business Fund, an impact investment fund initiated by KfW operating in Latin America, the Caribbean, and Sub-Saharan Africa, independently verified at “advanced” level by BlueMark, demonstrates that a structured set of environmental KPIs covering hectares under sustainable management, greenhouse-gas sequestration and avoidance, water savings, and reduction of harmful inputs can be computed reliably using third-party impact coefficients combined with field data from partner institutions, enabling portfolio-level aggregation with credible external assurance. FIRA, Mexico's public trust fund for rural development finance, shows how a second-tier lender can measure income and productivity outcomes at scale through parametric models calibrated to loan types and regional crop contexts, linked to GIS and satellite-based yield proxies and national statistical sources, without imposing prohibitive data requirements on individual borrowers or intermediaries. Aceli Africa's incentive-based mechanism, designed with leading development finance institutions to catalyse lending to agricultural SMEs in East Africa, demonstrates how embedding impact criteria, gender inclusion, food security, climate resilience, and youth employment, directly into the financial incentive structure of lending programmes produces durable operational alignment between development goals and lending behaviour. These three models confirm that the approaches advocated in this report are operational, not theoretical, and provide Agri-PDBs with concrete, differentiated benchmarks at different levels of institutional ambition and data maturity.

C. Building an Operational Impact System

Anchoring Design in the Mandate

The starting point for any credible impact-indicator system is a clear articulation of what 'impact' means in relation to the institution's specific public mandate, national development priorities, and financing activities. Indicators should be derived from this mandate, not imported from external frameworks. This principle, consistently validated by both the literature review and practitioner conversations, is what distinguishes a management system from a reporting exercise. When institutions begin from their mandate and define the results they intend to produce, they consistently select fewer, better-chosen indicators, and use them more.

Selecting KPIs: A Six-Step Process

This report proposes a six-step process grounded in observed best practice. It moves from mandate clarity to formalised governance, ensuring that only indicators with genuine decision-making value reach the final core set.

Step	Title and objective
1	Clarify strategic objectives and expected results Define the changes the institution intends to produce, for whom, in which territories, through which financing activities. This is the mandate translation step: every subsequent indicator must trace back to a result defined here.
2	Identify a broad set of candidate indicators Draw on IRIS+, HIPSO, IFC AIMM, and peer practices to compile a candidate list without pre-filtering. Breadth at this stage prevents premature elimination of relevant indicators.
3	Assess data availability and quality For each candidate, map existing sources, internal records, client reports, sampling surveys, proxies, or external datasets, and assess reliability and collection feasibility honestly.
4	Evaluate decision-making utility Ask: would this indicator change a decision if it moved? Indicators that management would act on differently when the value shifts are decision-relevant. Those that merely confirm existing views are not.
5	Prioritise based on three selection criteria Strategic materiality relative to the mandate; operational feasibility given portfolio structure and client capacity; and collection cost proportionate to governance value. Mature institutions forgo indicators whose collection cost outweighs their usefulness.

6

Formalise in the KPI dictionary

Document definitions, data sources, frequency, responsible functions, methodology, and limitations for each retained indicator. This converts a list into a governed institutional management system.

Three criteria govern selection at Steps 3–5: strategic materiality relative to the mandate; operational feasibility given portfolio structure and client reporting capacity; and collection cost proportionate to governance value. Mature institutions are prepared to forgo indicators whose collection cost outweighs their decision usefulness, a discipline that early-stage systems consistently underestimate.

The KPI Dictionary

Before deploying any indicator, each Agri-PDB should build a KPI dictionary: a structured institutional reference that documents, for each indicator, its precise definition and scope; data sources (internal administrative records, client reports, sampling surveys, proxy estimates, or external datasets); collection frequency and responsible function; calculation methodology and known limitations; and alignment with international frameworks such as IRIS+ or HIPSO. The KPI dictionary is not an administrative formality. It is the foundation of data consistency across teams and lending lines, the basis for year-on-year comparability, and the primary document reviewed by external verifiers or development partners requesting assurance on reported results. The practitioner interviews are unambiguous: institutions that invest early in a rigorous KPI dictionary systematically avoid the definitional fragmentation and interpretive inconsistency that emerge as the leading operational bottleneck as systems scale.

Integration into the Financing Cycle

Impact measurement becomes decision-useful only when embedded in the financing lifecycle rather than operating as a parallel reporting stream. At origination, impact objectives for proposed products or programmes should be explicitly defined. At appraisal, ex-ante impact expectations should be assessed alongside financial and risk analysis, drawing on scoring approaches similar to IFC's AIMM. At approval, impact information should complement rather than merely accompany the credit decision. During monitoring, results should be tracked against initial objectives and reviewed by management. At portfolio level, aggregated indicators should feed into strategic reviews and future capital allocation decisions. A consistent finding from the practitioner interviews is that this integration remains partial in most institutions, and that its absence is the single most frequently cited reason why impact data fails to influence decisions, regardless of the quality of the data itself.

Governance, Data, and Continuous Improvement

Boards and senior management validate impact priorities and oversee results. Credit teams integrate indicators into transaction analysis. Specialised units, ESG, monitoring and evaluation, or corporate social responsibility, ensure methodological consistency and data quality. IT and internal control functions guarantee reliable information systems. A key lesson from the practitioner interviews is that impact should be a transversal institutional responsibility distributed across functions, not confined to a dedicated team. For data collection, a pragmatic and tiered approach is recommended: combine existing administrative data with sampling techniques, validated proxy indicators, and where capacity allows, digital and geospatial tools. Transparency about methodological limitations is essential, the credibility risk of claiming precision the data cannot sustain is greater than the risk of acknowledging well-defined proxies. A reporting and improvement cycle, comprising regular internal reviews, targeted quality checks, and periodic selective external verification, transforms impact data from a static dashboard into a living management instrument.

D. Field Evidence: What the Practitioner Interviews Teach

The semi-structured interviews with five agricultural public development banks, drawn from different continents, financing models (first-tier and second-tier), and institutional contexts, provide a field-level grounding for the framework proposed in this report. The discussions covered strategic positioning of impact, existing indicator systems, data collection practices, integration of KPIs into the financing cycle, and the constraints encountered in implementation. The expert interviews provided normative and benchmarking perspectives, drawing on experience with DFIs, microfinance institutions, agri-finance networks, and impact-focused family offices.

Across all interviews, several convergences are striking. All institutions recognise impact as a core element of their public mission. All have board-level commitment to impact measurement. All reference international frameworks, the SDGs, IFC Performance Standards, as normative anchors. All have begun introducing climate-smart or green financial products. And all express a desire to move beyond output-level reporting toward outcome-level measurement. These convergences matter: they confirm that the demand for better impact systems is genuine and institution-wide, not driven by a single team or a single donor requirement.

The divergences are equally instructive. The primary differentiator between more and less mature systems is not the sophistication of digital tools or the size of the institution; it is

whether impact has been integrated into the credit cycle. Institutions where impact indicators appear at origination, are scored at appraisal, and are reviewed at portfolio level consistently report stronger decision use and higher internal credibility for their impact data. Institutions where impact measurement operates as a reporting function disconnected from lending decisions consistently report the same dysfunctions: data collected but not used, indicators accumulated to satisfy donors rather than management, and a growing gap between strategic ambition and operational reality.

Five recurring friction points emerge from the interviews and are directly addressed by the framework in this report. Data collection is perceived as burdensome when indicators lack a clear link to concrete decisions, an argument for the strict materiality filtering in the KPI selection process. Methodological capacity in impact measurement, proxy design, and data governance is insufficient in many institutions, an argument for investing early in the KPI dictionary and staff training before attempting scale. Confusion between ESG compliance and development impact persists, an argument for the explicit hierarchy proposed in Part A. KPIs are inadequately embedded in credit processes, an argument for the cycle integration approach in Part C. And tensions between financial and development objectives remain unresolved, an argument for explicit governance mechanisms that surface these trade-offs at board level rather than leaving them to be resolved informally by operational teams.

E. Operational Deliverables: The 15 Priority KPIs

The following core set of 15 indicators reflects the balance between the international literature, the practitioner evidence, and the practical constraints of agricultural finance. Five indicators cover each of the economic, social, and environmental dimensions. This set is designed as a starting point, not a ceiling: institutions at early stages of maturity can begin with a subset; those with stronger data infrastructure can complement it with additional indicators aligned to their specific mandate. For each indicator, the KPI dictionary must document data sources, collection frequency, methodology, and limitations.

Economic KPIs

#	KPI	What it measures
E1	Agricultural Clients Reached (by type)	Number of farmers or agri-business enterprises financed, disaggregated by type (e.g. smallholder, SME, cooperative). This measures the scale and inclusiveness of outreach.
E2	Employment Generated	Number of jobs created or maintained in supported projects or enterprises. It captures direct employment at the financed entity and can include estimates of indirect jobs in value chains.
E3	Increase in Farmer Income or Productivity	Average percentage increase in income or yield for farmers/enterprises supported, measured after intervention. This can be gathered via sample surveys or reported by clients.
E4	Value of Agricultural Production Facilitated	Total value of outputs (crop, livestock, or processed products) produced by clients financed (in USD). This indicates the economic output enabled by the PDB's financing.
E5	Leverage of Funding (Investment Mobilized)	Amount of additional investment mobilized alongside PDB funding, such as co-financing from private banks or investors, or borrower's own contribution. This can be expressed as a ratio (total project cost / PDB funding).

Social KPIs

#	KPI	What it measures
S1	Financial Inclusion of Underserved Groups	Number of first-time borrowers or unbanked people receiving loans. It can be broken down further (women, youth, smallholders in remote areas).
S2	Women beneficiaries (%)	Share of women among final beneficiaries: tracks gender economic inclusion aligned with SDG 5.
S3	Youth beneficiaries (%)	Share of young beneficiaries (under 35): reflects contribution to youth employment and inclusion.
S4	Food Security and Nutrition	Number of people reached with improved food security or nutrition. Measured by the number of households whose food production or access increased, or the number of nutrition-sensitive projects financed.
S5	Access to Training and Capacity Building	Number of beneficiaries (farmers, MSMEs, cooperatives) receiving technical, managerial, or financial training through PDB-financed projects or complementary support programs.

Environmental and Climate KPIs

#	KPI	What it measures
ENV1	Biodiversity Conservation/Restoration	Biodiversity impact indicators may include measures such as the hectares of habitat protected or restored, the number of native tree species planted, or the use of an on-farm biodiversity index.
ENV2	GHG reduction or avoidance	Tons of CO ₂ reduced or avoided per year, estimated using recognised emission factors or proxy methods.
ENV3	Area under sustainable practices	Hectares under agro-ecology, soil conservation, or equivalent sustainable land management practices.
ENV4	Water efficiency	Volume saved or area under efficient irrigation (ha) : critical indicator for water-stressed agricultural systems.
ENV5	Renewable Energy Capacity	Amount of renewable energy capacity installed (in kW or MWh/year) in agricultural operations, e.g. solar-powered cold storage, biomass generators.

Implementation Roadmap

The report recommends a three-phase implementation sequence designed to secure internal ownership, control data collection costs, and avoid the system fragmentation that results from parallel, uncoordinated requirements. The phases are sequential; the pace of transition between them should be determined by each institution's capacity and readiness rather than fixed timelines.

Phase 1, Pilot and Operational Framing

- Validate the impact mandate and priority results with boards and senior management
- Adopt the 15-indicator core set and define governance rules (committees, responsibilities, review thresholds)
- Build the KPI dictionary (definitions, sources, frequency, methodology, known limitations)
- Select one or two pilot portfolios (e.g., small producers, irrigation, agro-SMEs)
- Test data collection modalities and adjust before broader rollout
- Deliverables: pilot dashboard, KPI dictionary, collection protocol, and first results review

Phase 2, Integration into the Financing Cycle

- Integrate impact fields into origination and appraisal templates across the institution
- Deploy progressively to other products and segments, prioritising strategic portfolios
- Strengthen data quality through targeted controls and harmonised definitions
- Establish quarterly or semi-annual management dashboards at portfolio level
- Deliverables: updated credit processes, institutional dashboards, first portfolio consolidation

Phase 3, Consolidation, External Alignment, and Continuous Improvement

- Produce a strategic reading of institutional results : trends, gaps, and trade-offs
- Align external reporting with the internal system to reduce donor-reporting redundancy
- Formalise a proportionate assurance mechanism: targeted verification on a subset of key indicators
- Review the KPI set: maintain the core, adjust optional indicators to reflect evolving priorities
- Deliverables: credible annual impact reporting, proportionate assurance mechanism, continuous improvement plan

Conclusion

Agricultural public development banks are at an inflection point. The expectations placed on them by shareholder states, donors, and financial markets have shifted: it is no longer sufficient to demonstrate the scale of financing deployed. What is now required is a credible account of what that financing achieves. The practitioner evidence in this study, drawn from institutions operating across diverse contexts and at different levels of maturity, confirms that this shift is underway, that it is irreversible, and that the institutions best positioned to navigate it are those that have treated impact measurement as a governance function embedded in the credit cycle rather than a compliance exercise appended to it.

The framework proposed here, 15 priority indicators, a rigorous KPI dictionary, and phased integration into the credit cycle, is designed to make that transition accessible regardless of starting point. The lessons from the field are clear. Begin from the mandate, not from external frameworks. Choose fewer indicators and use them more. Invest early in definitional clarity and governance. Pilot before you scale. And resist the temptation to equate sophistication of tools with quality of impact management, the most effective

systems observed in this study are characterised by discipline and coherence, not complexity.

For decision-makers, three conclusions stand out. Impact should be embedded into decision processes, considered alongside risk and financial performance from origination through portfolio review. Effective use matters more than sophistication: the value of an impact system lies in how it informs decisions, not in the complexity of its design. And incremental, disciplined implementation is the only path that consistently produces systems that endure, earn internal credibility, and strengthen the institution's position as a credible public actor in the transformation of agricultural systems.

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List of Abbreviations

2X	2X Challenge (Gender Finance Criteria)
Agri-PDB	Agricultural Public Development Bank
Agri-SME	Agricultural Small and Medium-sized Enterprise
AIMM	Anticipated Impact Measurement and Monitoring
BNDES	Brazilian Development Bank (Banco Nacional de Desenvolvimento Econômico e Social)
CAM	Crédit Agricole du Maroc
CAPEX	Capital Expenditure
CO₂	Carbon Dioxide
CO₂e	Carbon Dioxide Equivalent
CSAF	Council on Smallholder Agricultural Finance
DAC	Development Assistance Committee
DFI	Development Finance Institution
EBRD	European Bank for Reconstruction and Development
ESG	Environmental, Social and Governance
ESMS	Environmental and Social Management System
FAO	Food and Agriculture Organization of the United Nations
FTE	Full-Time Equivalent
GHG	Greenhouse Gas
GHG Accounting	Greenhouse Gas Accounting
GIIN	Global Impact Investing Network
GIS	Geographic Information System
GRI	Global Reporting Initiative
GVC	Green Value Chain
IDB Invest	Inter-American Development Bank, Private Sector Arm
IFAD	International Fund for Agricultural Development

IFC	International Finance Corporation
IFI	International Financial Institution
IMP	Impact Management Project
IPCC	Intergovernmental Panel on Climate Change
IRIS+	Impact Reporting and Investment Standards Plus
KfW	Kreditanstalt für Wiederaufbau
KPI	Key Performance Indicator
LSMS	Living Standards Measurement Study
M&E	Monitoring and Evaluation
MFI	Microfinance Institution
MIS	Management Information System
NPL	Non-Performing Loan
OECD	Organisation for Economic Co-operation and Development
OPIM	Operating Principles for Impact Management
PDB	Public Development Bank
SDG	Sustainable Development Goal
SME	Small and Medium-sized Enterprise
SPSS	Statistical Package for the Social Sciences
TA	Technical Assistance
UDB	Uganda Development Bank

Introduction

Agriculture plays a central role in poverty reduction, food security, rural employment, and climate resilience. For Agricultural Public Development Banks (Agri-PDBs), whose mandates are explicitly linked to these objectives, demonstrating development outcomes has become as important as delivering financing volumes.

Several structural factors reinforce this shift. Fiscal constraints and heightened public scrutiny increasingly require clear evidence that public resources generate measurable public value. Climate and environmental risks have become material portfolio risks, making it essential for institutions to track indicators related to resilience, sustainability, and exposure to vulnerable production systems. At the same time, access to concessional finance, blended finance, and thematic instruments such as green or social bonds increasingly depends on the availability of credible impact data throughout the project and portfolio lifecycle.

In this context, impact Key Performance Indicators (KPIs) are evolving from compliance-oriented reporting tools into core management instruments. When appropriately defined and embedded, impact KPIs provide a structured link between strategic objectives, financial instruments, and observed results. They enable institutions to translate national development priorities and global commitments, including the Sustainable Development Goals, into operational metrics that inform day-to-day decisions.

For senior management, impact KPIs support strategic steering, accountability to public shareholders, and engagement with development partners and capital markets. At the operational level, they complement financial indicators in credit appraisal, portfolio monitoring, product design, and risk management. Selected social and environmental indicators can also function as early warning signals, helping institutions identify emerging vulnerabilities related to climate exposure, inclusion gaps, or sustainability practices.

Experience across Agri-PDBs shows that the effectiveness of impact KPIs depends less on their number than on their relevance, outcome orientation, and integration into routine processes. A limited, well-prioritized set of indicators, aligned with institutional mandates and supported by proportionate data strategies, can strengthen portfolio management, improve internal coherence, and enhance institutional credibility.

Rather than constituting an additional reporting burden, impact KPIs are most valuable when treated as a core management function. By focusing on decision-useful indicators and pragmatic implementation approaches, Agri-PDBs can better align financial activities with development objectives while managing operational and capacity constraints.

1. Key Concepts

Impact

In the context of development projects, impact refers to the broad, long-term changes (positive or negative) produced by an intervention. It encompasses primary and secondary effects, intended or unintended, on people and the planet. Impacts are typically distinguished from immediate outputs or short-term outcomes, representing the highest level of results (e.g. improved livelihoods, reduced poverty, healthier ecosystems). [4]

Financial inclusion

It refers to ensuring that individuals and businesses, especially vulnerable groups like smallholder farmers, women or indigenous people have access to affordable, appropriate, and timely financial products and services such as credit, savings, insurance, and payment systems.

For smallholder farmers, financial inclusion is crucial to meet short-term needs, invest in their farms, improve income, and manage risks related to climate change and market fluctuations.

It involves overcoming barriers like lack of collateral, formal identification, reliable data, and high costs, and often requires inclusive financial mechanisms including microfinance, digital finance innovations, and medium- to long-term loans.

A strong financial inclusion approach must explicitly address gender and social inequalities. Women farmers and women-led agribusinesses often face structural barriers to finance, including limited asset ownership, lack of collateral, restricted mobility, and discriminatory norms. Aligning with **SDG 5** (Gender Equality) and the 2X Challenge, inclusive agricultural finance seeks to expand women's access to financial services, promote women's economic empowerment, and support enterprises that are owned, led, or significantly benefit women.

Financial inclusion also extends to indigenous peoples and marginalized rural communities, who are frequently excluded from formal financial systems due to geographic isolation, lack of formal identification or land titles, cultural barriers, and limited access to tailored financial products. In line with the ILO Convention No. 169 on Indigenous and Tribal Peoples, inclusive finance should respect indigenous rights, recognize customary land-use systems, and promote culturally appropriate financial mechanisms that support livelihoods while preserving traditional knowledge and ecosystems

Financial inclusion enhances the livelihoods of smallholder farmers by facilitating integration of farm and non-farm income sources and supporting sustainable rural economic development. Targeted policy interventions are more effective when tailored to specific financial inclusion statuses across geographical locations and demographic groups among farmers. [11]

Food security

Defined as the condition when all people, at all times, have physical and economic access to sufficient, safe, and nutritious food that meets their dietary needs and food preferences for an active and healthy life.

It encompasses four key pillars: availability (the physical presence of food), access (the ability to obtain food physically and economically), utilization (the proper use of food for nutritional needs), and stability (the consistency of availability and access over time).

Food security is fundamental as it ensures that individuals do not experience hunger or malnutrition and can maintain productive and healthy lives.

Challenges to food security include conflicts, poverty, climate change, and disruptions in food supply chains, especially affecting vulnerable populations. [11]

Gender

Gender refers to the roles, opportunities, constraints, and power relations that shape how women and men participate in and benefit from agrifood systems. In agricultural finance, a gender lens is important because women often face structural barriers in access to land, credit, inputs, extension services, markets, and decision-making. For Agri-PDBs, integrating gender into impact measurement means assessing not only whether women are reached, but also whether financing improves their access, participation, productivity, resilience, and economic empowerment.

Nutrition

Nutrition refers to the intake and utilization of sufficient, safe, and diverse foods required for an active and healthy life. In the context of agricultural development finance, nutrition matters because investments in agriculture and food systems influence not only production and income, but also the availability, affordability, quality, and diversity of food. For Agri-PDBs, a nutrition lens helps assess whether financing contributes to better food security and nutrition outcomes, especially where interventions target food systems, value chains, vulnerable populations, or access to nutritious foods.

Accountability and impact management

Accountability and impact management refer to the institutional processes through which an organization defines intended impacts, manages performance against those objectives, monitors results, and discloses them transparently. In practice, this means that impact measurement is not only a reporting exercise, but part of governance, portfolio management, learning, and external credibility. The Operating Principles for Impact Management emphasize that institutions should define strategic impact objectives, monitor progress throughout the investment lifecycle, and rely on governance and independent verification to strengthen integrity and trust.

Metrics and KPI selection

Metrics are the individual variables used to measure outputs, outcomes, or impacts, while KPIs are the subset of metrics selected as the most strategic and material for management and accountability purposes. Good KPI selection requires indicators to be relevant to the institution's mandate, clearly defined, feasible to measure, and sufficiently standardized to allow comparison over time. In this sense, institutions should combine a limited number of core KPIs with a broader set of supporting metrics used for analysis, context, and learning.

Taxonomy and standards

A taxonomy is a classification system that defines which activities, investments, or assets fall within a given sustainability category according to specified criteria. Standards, by contrast, provide recognized methodological or reporting guidance on how sustainability or impact should be assessed, measured, and disclosed. In sustainable finance, taxonomies and standards help create common definitions, improve comparability, reduce fragmentation, and support alignment between financing activities and sustainability objectives. In the context of Agri-PDBs, they can help structure portfolio tagging, eligibility rules, KPI alignment, and external reporting.

Certification and labelling

Certification and labelling are related but distinct concepts. Certification usually refers to a process through which compliance with a defined set of requirements is verified, often by an independent third party. Labelling refers to the visible or formal designation that communicates compliance or categorization to markets, consumers, or investors. In agriculture, certification and labelling are widely used in connection with organic, fair trade, environmental, and social standards; in sustainable finance, labelling is also used for products such as green bonds or sustainability-labelled instruments. For Agri-PDBs,

these tools can support credibility, market signaling, and portfolio classification, provided that eligibility criteria and verification approaches are clear.

KPI (Key Performance Indicator)

A KPI is a defined, quantifiable measurement used to assess an organization's performance against its strategic objectives.

Organizations use KPIs to track progress toward goals and compare outcomes over time or against peers.

In development finance, KPIs often include both financial metrics and impact metrics. [12]

Economic KPI

A metric that captures the economic results of an intervention or portfolio. Economic impact KPIs for agricultural finance may include indicators such as number of farmers or enterprises reached, jobs created, income generation, increases in income or yields, and the amount of investment catalyzed in agricultural value chains. For example, PDBs track metrics like customers by type (e.g. smallholders, agri-SMEs), employment generated, and value of production or loans disbursed by sector to gauge economic performance. These KPIs show how financing contributes to economic growth, enterprise development, and livelihoods.

Social KPI

Social KPIs measure who benefits from financing and how interventions contribute to job creation, inclusion, resilience, and well-being. In agricultural development finance, this often includes indicators related to access to finance, outreach to underserved populations, women and youth inclusion, food security, nutrition, and access to services or capabilities that strengthen livelihoods. Social KPIs are important because they help institutions assess whether public financing is reaching priority groups and contributing to more inclusive agri-food systems.

Environmental KPI

A metric that captures the effects of projects on natural resources and the environment. Environmental KPIs in agricultural portfolios cover climate change mitigation and adaptation (e.g. greenhouse gas emissions reduced, climate-resilient practices adopted), sustainable land and water use (e.g. hectares under agroecology or soil conservation), biodiversity conservation (e.g. area of habitat protected or restored), renewable energy use, climate smart agriculture and waste management improvements. Such KPIs indicate

progress toward sustainable, low-carbon agriculture and the protection of ecosystems as a result of PDB financing.

2. International Mapping

2.1. International Reference Frameworks for Impact KPIs

Agri-PDBs do not start from zero when designing impact measurement systems. A wealth of international standards already exists to help them select robust, harmonized, and comparable indicators.

Beyond the broad impact KPI frameworks discussed below, institutions may also draw on more specialized standards depending on the theme addressed. For biodiversity, this includes TNFD, SBTn, and PBAF. For climate, relevant references include the GHG Protocol, SBTi, TCFD, CBI, CCB Standards, and PCAF. For the environment more broadly, institutions may also refer to the Accountability Framework initiative (AFi) and the ICMA Green Bond Principles (GBP).

The frameworks below are the most relevant for agricultural development finance.

a) IRIS+ (By Global Impact Investing Network - GIIN)

IRIS+ is an impact measurement system developed by the Global Impact Investing Network (GIIN) that provides a common taxonomy and standardized metrics to assess social, environmental, and economic performance across investment sectors. It offers a catalog of 500+ indicators and Core Metric Sets aligned with the Sustainable Development Goals and the five dimensions of impact.

For agricultural finance, IRIS+ highlights themes such as Smallholder and Sustainable Agriculture, covering objectives related to farm profitability, rural livelihoods, climate resilience, and food security. The framework supports measurements across economic (financial inclusion, income), social (gender, access to services, food security), and environmental dimensions (climate, water, biodiversity, sustainable land use), enabling consistent and comparable impact reporting.

Table 1: Relevant IRIS+ Indicators for Agricultural PDBs

<i>Dimension</i>	<i>Examples of relevant IRIS+ indicators</i>
<i>Economic</i>	OI8869, Permanent employees; PI4060, Total clients/beneficiaries; PI1568, Producer price premium (income gains for farmers)
<i>Social</i>	PI9991, Smallholder farmers served; OI3160, Full-time jobs created; PI8330, Women clients; PI7954, Client households; PD2541, Target beneficiaries (poor/vulnerable groups)
<i>Environmental</i>	OI6912, Land under sustainable cultivation; OI4015, Water saved; OI6697, Energy saved; PI5376, CO ₂ emissions avoided; OI7855, Land reforested/restored

Applying IRIS+ in Agri-PDB Impact Management

Agricultural PDBs (Agri-PDBs) finance and support inclusive and green agri-food systems, through credit, capacity building, climate-insurance, and access to inputs and markets. Accordingly, IRIS+ indicators must be selected and customized based on the specific outcomes being targeted:

Rural financial inclusion → client outreach indicators (e.g., PI4060, PI2822 for new borrowers)

Climate resilience and sustainable production → environmental indicators (e.g., OI6912 for sustainable land area, OI4015 for water efficiency, PI5376 for avoided emissions)

Local socioeconomic impact → smallholder-related outcomes and farmer income (PI9991, PI1568)

Gender equality → women's participation and empowerment indicators, such as women clients (PI8330), percent female ownership (OI2840), founders: female (OI8197), permanent employees: female (OI2444), and women's career advancement initiatives (OD4232)

Nutrition and food security → PI6963: Individuals Receiving Improved Nutrition Products, PI2845: Low-Income Clients Reached with Nutritious Foods

b) IFC Performance Standards & AIMM System

The International Finance Corporation (IFC) has developed one of the most widely adopted approaches to environmental, social and development impact management. Its

Sustainability Framework, including the Environmental and Social Performance Standards, provides a rigorous baseline for risk identification and mitigation. These standards ensure that projects “avoid, mitigate, and manage” E&S risks and engage stakeholders throughout project implementation. Many Public Development Banks (PDBs) co-financing international institutions rely on these standards as a no-harm or minimum safeguard reference.

In parallel, the IFC has established a harmonized core set of indicators for climate, gender and employment, aligned with the IRIS+ standards, to ensure consistency and comparability of project results across sectors and portfolios.

A cornerstone of IFC’s impact approach is the Anticipated Impact Measurement and Monitoring (AIMM) system. AIMM provides an ex-ante evaluation of each project’s expected contribution to development, scoring investments across two dimensions:

- (i) **Project Outcomes** (effects on stakeholders and the environment)
- (ii) **Market Outcomes** (systemic market transformation).

For instance, the IFC uses tools such as the Economic Impact Estimation Framework to quantify expected job creation and value added, thereby strengthening ex-ante impact projections. Every anticipated development outcome is linked to one or more specific, measurable indicators, aligned with sector standards (IRIS+) and thematic priorities (gender equality, climate, inclusion).

Since 2018, all IFC investments have been scored ex-ante using AIMM, embedding impact considerations directly into decision-making alongside financial performance. This structured “**plan–monitor–evaluate**” loop enables IFC to consistently connect upfront objectives with actual results, refine portfolio priorities, and steer capital toward projects with the highest development impact potential [14][15].

c) SDGs, Sustainable Development Goals

The 17 UN SDGs and their targets provide a global results framework that many development institutions use to align and communicate impact. PDBs have committed to align their strategies and activities with the 2030 Agenda for Sustainable Development.

In practice, this means mapping PDB impact KPIs to specific SDG targets, for example, financing small-scale farmers aligns with:

- **SDG 2** (Zero Hunger, targets on agricultural productivity and incomes),
- **SDG 5** (Gender Equality, loans for women-led businesses advance),

- expanding rural finance contributes to:
- **SDG 8** (Decent Work and Economic Growth, target on financial inclusion)

And climate-smart agriculture projects support:

- **SDG 13** (Climate Action)
- **SDG 15** (Life on Land).
- **SDG 17**: Partnerships for the goals: Collaboration with the Agri-PDB Platform, development partners, and donors enables Public Development Banks to amplify their impact beyond individual interventions. Through shared standards, co-financing mechanisms, and technical cooperation, these partnerships support the delivery of long-term, inclusive, and environmentally sustainable outcomes aligned with the SDGs.

To truly align with the SDGs, PDBs are encouraged to incorporate “the imperative of the transition to low-carbon, climate-resilient and equitable socio-economic models in all their financing decisions”. The SDG framework encourages PDBs to adopt a holistic approach, balancing economic, social, and environmental KPIs, and to report on contributions to these global goals in a harmonized way [16].

d) OECD-DAC Impact and Results Framework

The OECD Development Assistance Committee (DAC) promotes the use of results-based management in development programs, which is highly applicable to PDB impact measurement. A results framework maps the logical chain from inputs and activities to outputs, outcomes, and impact, with indicators at each level. Following OECD-DAC principles, PDBs should define clear KPIs for immediate outputs (e.g. number of loans made, clients reached), intermediate outcomes (e.g. increase in farmers' yields or incomes, improved loan repayment rates indicating success), and ultimate impacts (e.g. poverty reduction in target areas, enhanced climate resilience). OECD's guidance stresses the importance of integrating sustainability and cross-cutting issues (gender, climate, “leave no one behind”) into these frameworks, which means PDBs should include KPIs that measure inclusion and environmental sustainability, not just economic outputs. By using an OECD-DAC style framework, agricultural PDBs can improve accountability: they link each KPI to a level of result and ensure it feeds into higher-level development objectives. The OECD-DAC also encourages harmonization of indicators and use of country systems and digital tools for monitoring, which can help PDBs improve data collection for impact KPIs. In summary, the DAC approach helps PDBs design a robust results system where

impact KPIs are clearly connected to their development mandate and can be aggregated or compared at sector and donor levels. [17]

e) HIPSO: Harmonized Indicators for Private Sector Operations

The Harmonized Indicators for Private Sector Operations (HIPSO) framework is a joint initiative launched by leading Development Finance Institutions (DFIs) to harmonize the measurement and reporting of development results from private-sector operations. Initiated in 2008 and formally established in 2013 through a Memorandum of Understanding signed by 28 multilateral and bilateral DFIs, including IFC (World Bank Group), EIB, AfDB, KfW/DEG, Proparco, CDC Group, and several members of the EDFI network, HIPSO represents a collective response to the growing need for standardized impact measurement.

The primary objective of HIPSO is to reduce the reporting burden for investee companies financed by multiple DFIs, while enhancing the comparability, credibility, and usefulness of impact data. By adopting common definitions, units of measurement, and calculation methodologies, HIPSO enables development finance institutions to monitor and aggregate the results of their private-sector investments using a shared and consistent framework.

The HIPSO framework was initially built around 38 harmonized indicators, covering 15 sectors and industries (including agriculture and agribusiness, energy, infrastructure, finance, health, education, industry, services, and ICT), as well as several cross-cutting themes such as employment, gender, financial inclusion, and selected environmental outcomes. These indicators were explicitly aligned with the Sustainable Development Goals (SDGs), facilitating the reporting of private-sector contributions to the 2030 Agenda. Over time, the framework has evolved and expanded to incorporate additional sectoral and thematic indicators, reflecting emerging priorities among DFIs, particularly in areas such as climate, digitalization, health, and education.

HIPSO is now widely used by development banks and finance institutions, especially for project-level monitoring and portfolio-level aggregation of development results. Many DFIs rely on HIPSO indicators in their annual development effectiveness and impact reports, particularly in co-financed operations. The framework also supports institutional learning by enabling comparability of results across institutions and geographies.

Conceptually, HIPSO is complementary to other international reference frameworks. It is closely aligned with the IRIS+ system of the Global Impact Investing Network, sharing a

large proportion of definitions and metrics, notably through the *Joint Impact Indicators* jointly developed by IFC and GIIN. In contrast to the IFC Performance Standards, which focus on environmental and social risk management and the “do no harm” principle, HIPSO primarily targets the measurement of positive results and development outcomes. It also complements internal tools such as IFC’s AIMM system, which is mainly designed for ex-ante impact assessment.

In summary, HIPSO constitutes a key operational reference framework for impact KPI measurement in private-sector development finance. Its broad adoption, alignment with the SDGs, and interoperability with IRIS+ make it particularly relevant for Public Development Banks and Agri-PDBs seeking to establish harmonized, comparable, and credible impact measurement systems at the international level.

2.2. International Models for Embedding Impact in Agricultural Development Finance

The international models presented in this chapter echo and complement the findings from the interviews conducted with Agri-PDBs and impact management experts. They illustrate how different institutions, including development finance institutions, sector initiatives, impact funds, and selected public agricultural banks, have translated strategic commitments to impact measurement into concrete governance arrangements, operational tools, and reporting practices. These examples help situate the interview insights within a broader international landscape and show that many of the approaches identified by interviewed Agri-PDBs are already being implemented in practice.

The cases below are presented as reference models, not as a full comparative review of the five Agri-PDBs covered in this note. The latter are analyzed in more balanced detail in Section 3 through a common analytical lens focused on integration models, data practices, and operational constraints.

a) IDB Invest, Integrated Impact Framework and DELTA Tool

IDB Invest applies a structured impact management framework in which each project is assessed ex-ante using a scoring system (DELTA) that combines expected development outcomes and institutional additionality. Impact indicators are selected based on the project's theory of change and are monitored throughout implementation.

Relevance for Agri-PDBs:

- illustrates how ex-ante impact assessment can be embedded in approval processes,
- demonstrates the value of linking indicators to strategic priorities and SDGs,
- shows how impact information can be used for portfolio steering, not only reporting.

Agri-PDBs may draw inspiration from the logic of prioritization and sequencing, without replicating the complexity or scoring architecture of DELTA.

b) CSAF, Harmonized Metrics for Agricultural Smallholder Finance

The Council on Smallholder Agricultural Finance (CSAF) has developed a set of harmonized indicators used by specialized agricultural lenders to report outreach, portfolio characteristics, and selected ESG dimensions. The focus is on simplicity, comparability, and reduced reporting burden.

Relevance for Agri-PDBs:

- demonstrates the benefits of a small, common KPI set across institutions,
- shows how harmonization can reduce data burdens for intermediaries,
- provides a pragmatic starting point for sector-level aggregation.

This approach is particularly relevant for second-tier Agri-PDBs working through networks of financial intermediaries.

c) Aceli Africa, Incentive-Based Impact Framework

Aceli Africa links financial incentives (first-loss coverage, origination incentives, bonuses) to predefined impact criteria related to gender, climate, food security, and youth. Impact KPIs are used to steer behavior, not only to measure results.

Relevance for Agri-PDBs :

- illustrates how KPIs can be connected to incentives and product design,
- highlights the role of impact metrics in targeting underserved segments,
- shows how impact requirements can be embedded in financing conditions.

While Agri-PDBs operate under different mandates, the principle of using KPIs as steering tools rather than passive metrics is directly applicable.

d) Eco.business Fund

The Eco.business Fund is an impact investment fund focused on biodiversity conservation, sustainable land use, and climate resilience in Latin America, the Caribbean, and Sub-Saharan Africa. Initiated by KfW and Conservation International and managed by Finance in Motion, it operates largely through local financial intermediaries, making it particularly relevant as inspiration for second-tier Agri-PDBs.

The fund applies a conservation-focused theory of change and monitors impact through:

- institutional effects on partner financial institutions (e.g. strengthened ESG systems, green loan origination), and
- environmental outcomes generated by final beneficiaries (e.g. emissions reductions, sustainable land management, biodiversity protection).

Its impact measurement system combines partner-reported data, proxy-based models, and third-party coefficients, and maps indicators to SDGs. It also draws on an IRIS+-aligned taxonomy, applies IFC Performance Standards, follows the Operating Principles for Impact Management, and has undergone independent verification.

Relevance for Agri-PDBs:

- shows how a second-tier institution can combine intermediary reporting with proxy-based estimation,
- illustrates the role of taxonomy, external standards, and assurance in strengthening credibility,
- demonstrates how portfolio-level impact can be measured without relying exclusively on borrower-level primary data.

eco.business demonstrates how thematic focus, proxy indicators, and harmonized methodologies can enable credible environmental impact measurement when lending through intermediaries, albeit with higher

e) Crédit Agricole du Maroc (CAM), Progressive Integration in a Public Agricultural Bank

Crédit Agricole du Maroc is a Moroccan public bank dedicated to agriculture and rural development and serves as a key instrument of national agricultural and climate policy. Its approach to impact is characterized by gradual integration, beginning with risk

management and financial inclusion and progressively extending toward sustainability-oriented products and monitoring.

Since 2016, CAM has implemented an Environmental and Social Management System aligned with international good practice, providing a “do no harm” foundation. Through its subsidiary Tamwil El Fellah, CAM finances small farmers excluded from traditional banking, using state-supported risk-sharing mechanisms to support productive investment.

CAM has also developed dedicated green financial products, including green leasing for agricultural equipment and the Green Value Chain programmed, implemented with EBRD and the European Union, combining credit, grants, and technical assistance. Its activities are aligned with Morocco’s Generation Green 2020–2030 strategy and with several SDGs, notably SDGs 2, 5, 8, and 13.

Its indicator system remains focused mainly on outreach and access metrics, such as volumes financed, clients reached, first-time borrowers, and green finance volumes, while outcome-level impacts are documented more through periodic studies than through a fully internalized KPI system.

Relevance for Agri-PDBs:

- Illustrates a gradual pathway from safeguards and inclusion toward broader sustainability integration,
- Shows how public agricultural banks can connect national policy mandates with green and inclusive finance products,
- Highlights both the progress made and the practical limits of moving from output to outcome measurement.

3. Cross-cutting Analysis of Interviews

3.1 Scope and Methodology of the Interviews

This chapter draws on semi-structured interviews with five national agricultural public development banks, BNDA (Mali), FIRA (Mexico), AFC (Kenya), LBA (Senegal), and ADDB (China), along with a few international impact-finance experts. The sample was selected to provide geographic diversity (Africa, Latin America and Asia) and to include institutions whose mandates focus on agriculture, rural development and food security. Each interview covered the bank’s mandate, portfolio, governance, and existing impact measurement

practices across economic, social and environmental dimensions. In addition, a standardized questionnaire explored the KPIs used, data-collection processes, institutional capacities, good practices and challenges.

In parallel, three experts, Franziska Salzer (sustainable finance and impact management practitioner within KFW), Zied Kadhi (sustainability and impact management specialist, CEO at Key-value) and Justin Sykes (international expert on impact measurement, CEO at Innovest Advisory), were interviewed. They provided normative and strategic perspectives drawn from work with development finance institutions, microfinance institutions, fintechs, NGOs and family offices. Their goal was to highlight best practices, challenges and success factors for integrating impact evaluation into the strategy and operations of a financial institution.

PDBs Interview data (notes and transcripts) were systematically coded along thematic “axes” (governance, indicator systems, economic/social/environmental impact, methodology, challenges). A cross-PDB analysis then identified common patterns and notable differences. The methodology was designed to surface both the collective experience of Agri-PDBs and country-specific nuances. Throughout, the tone was kept institutional and descriptive. (Analysts consolidated banks’ own statements without attributing raw quotes: for example, BNDA’s managing director emphasized that “social impact remains at the core” of the bank’s mission, reflecting the bank’s pro-rural mandate.)

3.2 Convergences Across Institutions

All five institutions, BNDA (Mali), FIRA (Mexico), AFC (Kenya), LBA (Senegal) and ADBC (China), are fundamentally oriented toward agricultural and rural development, with the bulk or entirety of their balance sheet dedicated to agriculture, agribusinesses and rural SMEs. Their strategies converge on three core ambitions:

- financing food security and agricultural productivity,
- advancing financial inclusion of smallholders, women, youth and underserved territories, and
- progressively integrating climate resilience and environmental sustainability into lending.

In line with these priorities, all banks have introduced “green” or climate-smart products (e.g. solar irrigation, agroecological projects, climate-resilient inputs), and they increasingly frame these as strategic growth segments rather than niche activities.

Impact oversight is anchored at senior level in each institution, whether through a dedicated ESG/RSE department (BNDA, LBA), a sustainability directorate reporting to top management (FIRA) or designated focal points and committees integrated into risk and credit processes (AFC), while ADBC embeds impact objectives in China's Five-Year Plans and green-finance taxonomies, ensuring strong top-down alignment between policy priorities, credit allocation and impact measurement.

The experts confirm that impact management is no longer optional. They note that public development banks, financed by public resources, are expected to deliver development outcomes beyond financial returns, without an impact measurement system these institutions cannot demonstrate fulfilment of their mandate. For private banks, impact evaluation is becoming a strategic asset: monitoring ESG issues reduces social and environmental risks and aligns operations with responsible best practices. The experts insist that impact measurement should not be confined to reporting but used as a strategic steering tool linking the bank's mandate, strategy, theory of change and KPIs. They therefore validate and strengthen the banks' convergence on mission-driven strategies while advocating clearer alignment between mandates, strategies and outcome-oriented indicators.

3.3 Divergences in impact systems, references, and indicators

While all institutions cover economic, social and environmental dimensions of impact, their frameworks and maturity levels differ markedly. FIRA and AFC operate consolidated dashboards supported by internal taxonomies and forward-looking projections, whereas BNDA and LBA rely on fragmented, project-driven systems without a unified taxonomy, limiting comparability across portfolios. ADBC uses national ESG and green-finance taxonomies and monitors impact throughout the credit lifecycle, its framework builds on China's regulatory guidance and internal ESG metrics, providing a high level of standardization, albeit within a nationally specific system. When referencing standards, FIRA and AFC align with SDGs, GRI, SASB-type criteria and national sustainable taxonomies, BNDA and LBA depend mainly on donor requirements such as IFC Performance Standards and frameworks from AFD, EIB and GCF, ADBC relies on Chinese green-finance taxonomies and Five-Year Plan guidelines.

The experts caution against framework overload. They note that excessive layering of standards creates confusion between ESG, impact and compliance and undermines strategic coherence. Instead, each institution should develop its own theory of change

and select a limited set of material KPIs directly derived from that strategy. Indicators should prioritize outcomes rather than immediate outputs, and there is no obligation to cover all three dimensions (economic, social, environmental), institutions should focus on impacts that are materially significant given their mission. This perspective helps explain why differences exist between banks' frameworks and underscores the need for tailor-made, yet comparable, systems.

Table 2: Differences in impact systems and references between interviewed banks

<i>Institution</i>	<i>Reference Frameworks Mentioned</i>	<i>Notes</i>
<i>All institutions</i>	SDGs, IFC Performance Standards	These global standards are cited by all institutions
<i>FIRA</i>	SDGs, GRI, SASB-type criteria, UN Global Compact, Mexico's national sustainable taxonomy	Comprehensive alignment, especially for thematic bond reporting and investor disclosures
<i>AFC</i>	SDGs, Kenya's Vision 2030, sustainability certifications	Builds on global standards and national vision
<i>BNDA et LBA</i>	IFC standards, donor requirements (AFD, EIB, GCF, etc.)	Relies mainly on donor requirements, internal green taxonomy in development or early alignment
<i>ADBC</i>	SDGs, Chinese green-finance taxonomies (e.g. Green Bond Endorsed Projects Catalogue, People's Bank of China green taxonomy), Five-Year Plan and national ESG guidelines	Strong integration with national planning and regulatory frameworks, comprehensive coverage of green and sustainable asset categories

This table illustrates that while all banks reference international standards such as the SDGs and IFC Performance Standards, only FIRA and ADBC have fully integrated national taxonomies into their systems. AFC draws on Kenya's Vision 2030, whereas BNDA and LBA still depend heavily on donor frameworks. Understanding these differences is essential for designing a harmonised KPI framework that remains flexible enough to accommodate diverse regulatory contexts.

The interviews reveal a common baseline of impact indicators across all five institutions: agricultural portfolio volumes, share of lending to SMEs and cooperatives, portfolio-quality metrics, number of projects/activities financed and jobs created. Beyond this baseline, each bank shows distinctive practices:

- **FIRA** models producer income and productivity using parametric methods, GIS and satellite-based yield proxies, it tracks before/after changes in beneficiary income, jobs and enterprise expansion and requests aligned reporting from partners for indirect operations.
- **AFC** tracks volume and employment metrics but also monitors before/after changes in income, jobs and enterprise expansion for direct lending, it faces difficulties in systematically measuring revenues, productivity and additionality beyond pilots.
- **BNDA & LBA** focus on volume and employment indicators and tend to rely on donor-driven measures, they often struggle to measure revenues, productivity and additionality.
- **ADBC** measures volumes of rural and agricultural finance by subsector, it tracks numbers of households/beneficiaries and jobs created and sets quotas for rural poverty-alleviation loans (e.g. targeted poverty-alleviation loans must account for $\geq 60\%$ of net lending and $\geq 80\%$ in provinces with poverty targets). It assesses income impacts through feasibility studies and ex-post evaluations and monitors uptake of rural infrastructure and seed-industry financing.

The experts recommend simplifying indicator sets. They argue that a **minimum viable product** (MVP) should contain around 10–15 priority indicators, institutions new to impact should test simple tools before automating and expanding. Outcome-oriented indicators (changes in income, productivity, resilience) should be prioritized over output-oriented metrics (number of loans or trainings). Proxies and parametric methods, such as those used by FIRA, offer low-cost yet scientifically grounded ways to estimate impacts. This guidance supports the banks' move toward hybrid approaches and encourages them to limit the number of indicators to those that are material and actionable.

Table 3: Comparative Overview of Economic, Social and Environmental KPIs and Climate Risk Integration

<i>Dimension</i>	<i>Common baseline across institutions</i>	<i>FIRA</i>	<i>AFC</i>	<i>BNDA and LBA</i>	<i>ADBC</i>
<i>Economic KPIs</i>	Agricultural portfolio volumes (amounts disbursed by subsector), share of lending to SMEs and cooperatives (% of total agri-portfolio), portfolio quality metrics (PAR30, NPL ratio, write-off rate), number of projects/activities financed per year, jobs created or sustained (full-time equivalent, FTE).	Models producer income and productivity using parametric methods, GIS and satellite-based yield proxies, yielding estimates. KPIs - Farmer income change (%) vs baseline - Yield per hectare (tons/ha) - Value added per producer (local currency/producer)	Employment and economic outreach - Number of direct jobs created - Number of households reached - Changes in beneficiary income (pre- and post-loan comparisons) Agricultural productivity and production - Increase in cultivated/processed area (new land under cultivation) - Enterprise performance (production/processing expansions) Agricultural portfolio dynamics (economic dimension) - Portfolio growth by subsector - Jobs created - Income changes	KPIs No structured ex post economic KPIs → No systematic measurement of beneficiary income or productivity gains Available economic data is partial and non-standardized - Jobs created (from business plans) - Leverage effect (mentioned in project files) - Qualitative client feedback (increase in activities, contracts, employment) No formal system to measure economic impact: Predominance of financial/operational indicators: - Repayment rate - Portfolio at Risk (PAR)	KPIs - Number of beneficiaries - Number of jobs created - Increase in income Key Data (2024) 580,000 beneficiaries of targeted assistance loans - Average annual income increase of more than 6,000 yuan per beneficiary

Social KPIs	Inclusion of women, youth and rural or marginalized populations framed as strategic, with at least basic disaggregation of borrowers and beneficiaries by sex, age group (e.g. <35 years), and location (rural/urban, remote areas).	Gender and inclusion • Number of female beneficiaries • Number of female-led projects • Share of women beneficiaries (e.g., 7 out of 10 in a gender bond) Financial inclusion and outreach • Number of first-time borrowers • Number of beneficiaries in high-poverty or indigenous municipalities • Measures of product access / financial inclusion Employment and social impact • Jobs created (where estimable) Capacity building and knowledge transfer • Training delivered (technology centers, farmer-to-farmer programs) Measurement approach (not KPI but explicitly mentioned) • Sample-based program evaluations (surveys)	Inclusion (gender, youth, vulnerable groups) • Number of beneficiaries disaggregated by gender and age (women, youth) • Number of persons with disabilities reached Employment • Number of jobs created (direct and indirect) Capacity building • Number of trainings delivered Outreach and territorial inclusion • Outreach to marginalized areas • Outreach to semi-arid and rural areas Food security • Indicators related to food security	Gender and inclusion • Number of women financed / women-led projects • Inclusion of youth • Financing in rural, peri-urban, and urban areas Beneficiary tracking (partial / indirect) • Number of producers / beneficiaries (reported via cooperatives or projects) • Distribution by gender (women/men) • Number/volume of projects targeting inclusion Employment (limited tracking) • Jobs created (tracked occasionally / not systematically) Internal social indicators (BNDAspecific but included in overall system) • Number/share of women in staff and management • Projects led by women Gaps and limitations	Inclusion and outreach • Number of beneficiaries (vulnerable populations) • Support to rural areas (tracked through outreach and programs) Employment and capacity building • Number of training opportunities created • Employment opportunities created Key Data • 16,800 training opportunities created in 2024 (rural populations) • More than 50 million cumulative beneficiaries (since 2020–2025 plan) Limitations
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		(instead of full population coverage due to cost)		- No systematic tracking of first-time borrowers - Data collection not always exhaustive - Indicators partly indirect (via partners, cooperatives, or RSE reporting)	No gender or diversity indicators covered by the department interviewed
Environmental KPIs & Climate Risk	ESMS or equivalent processes, exclusion lists, and environmental and social screening of projects, complemented by a small set of quantitative indicators (e.g. hectares under climate-smart practices, basic CO ₂ proxies for high-risk projects).	Climate and environmental impact: - GHG emissions avoided, - Energy efficiency, - renewable energy generated Water and natural resource management: - Water savings, - irrigation and water-management investments, - financing in drought-prone areas Sustainable agriculture: - Area under improved/sustainable agricultural practices Climate-focused financing: - Financing directed to climate-vulnerable municipalities and sustainable projects Environmental risk integration: Use of ESMS, environmental datasets	Sustainable practices & green adoption: - Uptake of environmentally friendly enterprises, agroforestry/tree-planting commitments, solar and low-carbon technologies Water management: - Financing of water-saving equipment (drip systems, pumps) and Geographic targeting of water interventions Green finance: Green products (solar, water, agroforestry) and donor-supported green financing lines Environmental risk integration: ESMS screening, mitigation measures in loan conditions, and monitoring requirements	Energy and low-carbon investments: - Financing of solar equipment (pumps, irrigation systems) - Tracking of installed solar capacity (BNDA) - CO₂ avoided tracked (LBA) Water management: - Financing of irrigation and water-saving systems Climate risk integration: - Environmental & social screening (LBA) - Agro-ecological vulnerability assessments and credit questionnaires (BNDA) - Compliance with environmental regulations required	Frameworks: Environmental policy, green credit policy, and integrated ESMS Core environmental indicators: CO₂ emissions reduction Pollution prevention Biodiversity conservation Sustainable natural resource management Monitoring approach: Pre-financing assessments On-site controls (photos, observations) Post-project environmental restoration evaluation

		(deforestation, protected areas), and climate variables in risk models Green finance instruments: Thematic bonds (green, social, gender) and incentive-based programs (cashback, interest reimbursement)	Limitations: CO₂ measurement not standardized and some water infrastructure KPIs not fully developed	Green financial products: • Solar irrigation, renewable energy, agroecology, climate-resilient seeds • Incentives for climate-smart projects (<i>BNDA: longer maturities, subsidized rates</i>) Key gaps • Limited standardization of environmental KPIs • Partial or non-systematic measurement (CO₂, water, inputs) • No structured indicators for water storage infrastructure	Green finance: • Rural environmental improvement projects • Green energy financing • Environmental protection investments • Issuance of green bonds with public impact reporting Data collection & reliability: • Manual data collection by credit officers • Use of official documents (feasibility & EIA studies) • Verification by certified third parties (including for green bonds)
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3.4 Data management practices and constraints

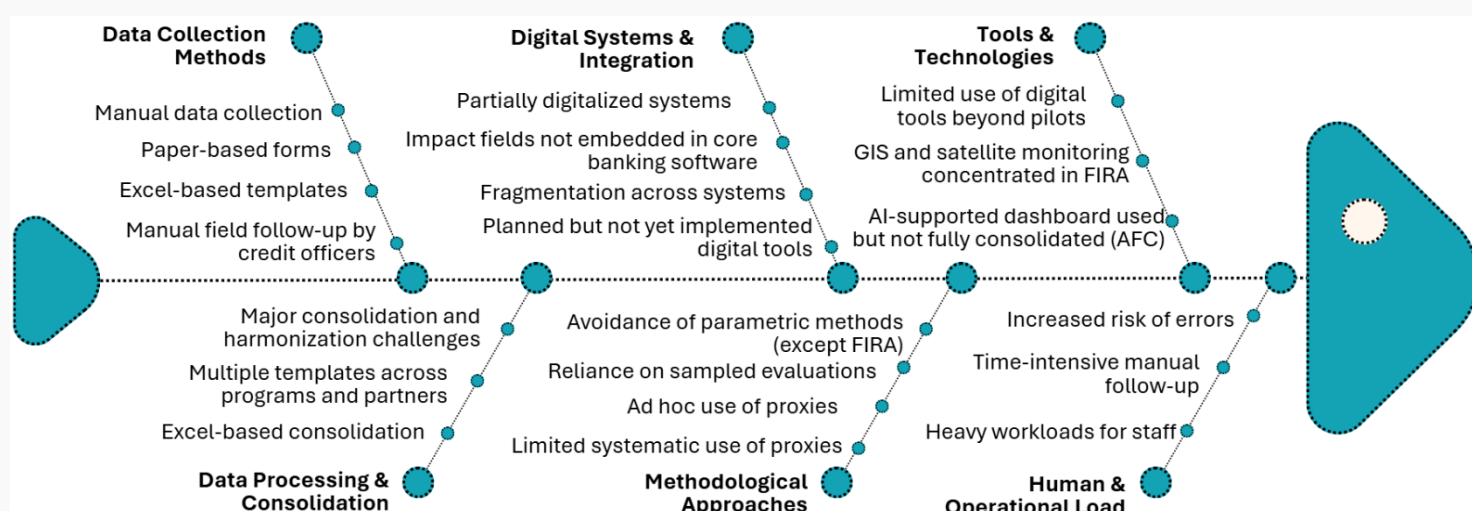
Data management emerges as a central fault line between ambition and implementation.

FIRA has developed the most sophisticated hybrid model, combining parametric estimation calibrated to loan types, sampled program evaluations, and digital tools such as GIS, satellite monitoring and integration with official statistics to monitor impacts at scale with reasonable cost. AFC also employs a hybrid model, digital data collection at onboarding, manual follow-up by credit officers, standardized Excel templates for partners, and an AI-supported dashboard for projections, but still faces major consolidation and harmonization challenges. BNDA and LBA rely predominantly on manual field forms and Excel consolidation, with plans to introduce integrated digital tools and impact modules into their core systems over the medium term.

At the ADBC, external verification is applied selectively, mainly to green bonds and international instruments where independent validation is required by market standards. In these cases, data are based on certified feasibility studies and supported by third-party reviews or second-party opinions. By contrast, core lending and portfolio reporting rely primarily on internal systems and regulatory disclosures, reflecting a proportional approach to assurance based on transaction size, complexity, and visibility.

Systematic use of proxies and parametric methods is currently concentrated in FIRA, other banks either avoid proxies or use them ad hoc, highlighting an opportunity to formalize low-cost, scientifically grounded proxy approaches.

Graph 1 : Factors Influencing Effective Data Management Identified Through PDB Interviews

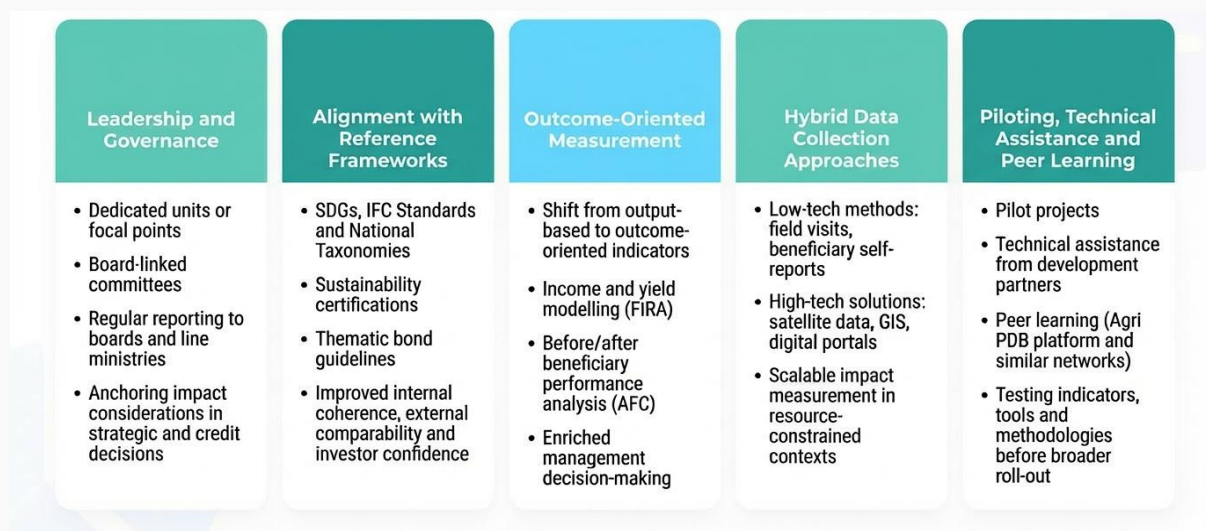


Across all models, data collection remains uneven and resource intensive. Detailed checks and third-party verification are generally applied only above certain transaction-size, product, or reporting thresholds, while smaller loans are monitored through simpler reporting fields, proxies, and portfolio-level estimation methods. Experts therefore emphasize integrating a limited number of impact fields into existing MIS, automating calculations, and embedding impact responsibilities across business, risk, IT, and strategy functions.

3.5 Emerging good practices for impact KPI implementation

Across the five case studies, several good practices stand out as building blocks for effective impact KPI systems. The following graph aggregates those good practices within main 5 blocks as follows:

Graph 2: Good practices for impact KPI implementation



These lessons suggest that while each bank is charting its own path, they converge on a set of building blocks, leadership involvement, external frameworks, outcome focus, targeted products, and collaborative learning, that facilitate impact management. Embedding these elements into a harmonized approach will be key.

These emerging practices are also reflected in established international models that can help Agri-PDBs translate general principles into institutional design choices. The eco.business Fund demonstrates how environmental impact indicators can be measured at portfolio level through a combination of partner-reported data, impact coefficients, and external verification, making it a useful reference for second-tier institutions or banks seeking pragmatic environmental estimation methods. FIRA shows how KPI systems can be connected to thematic financing instruments, especially green and social bonds, where

the credibility of impact reporting depends on clearly defined indicators, traceable methodologies, and external review. Aceli Africa provides a complementary benchmark by showing how impact metrics can be used not only for reporting, but also to shape incentives and product design, with explicit impact dimensions embedded into the financial structure of transactions. Together, these examples reinforce the conclusion that effective impact KPI systems are built not only on indicator selection, but also on governance, methodology, incentives, and assurance mechanisms.

The experts identify complementary success factors:

- **Leadership commitment** is indispensable: impact initiatives require sponsorship by top management and the board of directors.
- Mobilising **multidisciplinary skills** is essential, impact management cannot rely on a single isolated unit and must draw on finance, IT and ESG expertise.
- **Simplicity of tools** matters, digital solutions should be integrated into banking systems (e.g. YAPU platform, GIS tools) and supported by clear methodological frameworks and continuous improvement.
- **Transparency and communication**, such as publishing impact reports or dashboards, build credibility, while strategic use of impact surveys helps improve products and services.

Perhaps most importantly, the experts advocate a gradual and pragmatic approach: institutions should **start small**, testing simple tools before automating and expanding, and adopt an “impact MVP” of around 10–15 priority indicators.

3.6 Cross-cutting recommendations and implications for KPI harmonisation

The cross-cutting analysis confirms that Agri-PDBs are transitioning from ad hoc impact reporting toward more systematic impact measurement and management. Harmonization efforts should be pragmatic and phased, focusing on a limited core set of common indicators complemented by flexible methodologies and proxies. Because the five banks operate under diverse regulatory regimes and donor frameworks, harmonization should aim for functional equivalence rather than strict uniformity, allowing institutions to align with a shared framework while preserving contextual relevance. ADBC’s experience illustrates the benefits of strong strategic alignment and standardized green-finance

taxonomies, FIRA and AFC demonstrate the value of scalable hybrid methodologies, BNDA and LBA highlight the importance of capacity-building and donor alignment.

Experts call for alignment with international standards such as the Operating Principles for Impact Management (OPIM), IRIS+, SDGs, GRI and donor frameworks, but they emphasize using these standards as a guide rather than a rigid template. Institutions should develop clear theories of change, map indicators to strategic objectives and standardize definitions to improve comparability. Capacity-building and technical assistance are essential; donors can support training and digitization efforts while harmonizing their own reporting requirements. Ultimately, a harmonized KPI framework for Agri-PDBs should balance comparability, feasibility and relevance: a common core of indicators with contextual flexibility, underpinned by simple methodologies and gradual integration into existing systems. Such an approach will allow Agri-PDBs to demonstrate their development impact while maintaining operational viability.

4. Main Challenges Faced by Agri-PDBs

This chapter provides a consolidated synthesis of the challenges faced by Agri-PDBs in defining, measuring, and operationalizing impact KPIs. It draws on two complementary sources: structural bottlenecks identified through semi-structured interviews with five national Agri-PDBs and three international impact management experts, and a thematic analysis of each challenge category based on the broader evidence base.

Several of these challenges are interrelated. Weak data availability constrains data quality; limited institutional capacity undermines methodological rigour; and insufficient internal buy-in reduces the effective use of impact information. In addition, the long-term, seasonal, and context-dependent nature of agricultural and environmental impacts creates a structural mismatch with short reporting cycles and standard financial monitoring practices.

4.1. Structural Bottlenecks: Evidence from Interviews

Across all five institutions, several structural bottlenecks recur regardless of geography, financing model, or institutional size.

- **High data collection costs and system fragmentation**, particularly in rural and smallholder portfolios. Loan size is a major factor: smaller transactions generally cannot support costly case-by-case data collection or verification, pushing institutions toward lighter tools like standardized templates, proxies, digital capture, or sample-based

approaches. Larger transactions can more easily justify detailed monitoring, external studies, or third-party verification.

- **Limited internal capacity**, including gaps in ESG expertise, proxy design, econometric methods, data governance, and the ability to match data systems to different portfolio segments and loan sizes.
- **External fragmentation of reporting frameworks**, driven by overlapping donor and regulatory requirements, which increases reporting burden and complicates the design of coherent, institution-wide KPI systems.
- **Limited verification and assurance practices**, outside specific thematic finance operations or larger transactions where the scale of financing justifies additional controls.
- **Persistent attribution challenges in linking financing to results across the results chain**. Outputs directly tied to financing (number of loans, volume, client outreach) are easier to capture; outcomes and impacts (income growth, employment, resilience, market access, environmental improvement) are harder to attribute because they depend on multiple external factors, time lags, and indirect effects. Section 4.2 develops the methodological implications of this challenge in more detail.
- **Persistent tension between impact ambitions and financial or operational constraints**, especially when impact KPIs are not embedded in approval processes, performance systems, or incentives.

These bottlenecks explain why many Agri-PDBs remain focused on output indicators and directly observable financing-related KPIs, despite strong strategic ambition to move toward outcome-level measurement. Progress toward outcomes and impacts requires not only better data systems, but also explicit methodological choices on attribution, proportionality, and the level of evidence feasible for different types and sizes of operations.

4.2. Thematic Challenge Analysis

Data Collection Gaps

A fundamental challenge is obtaining reliable data from the field. Many Agri-PDBs finance agriculture indirectly, channelling funds through microfinance institutions, rural banks, or cooperatives. This indirect model makes it difficult to track the final use of funds at farm or enterprise level, since PDBs must rely on intermediaries' reporting systems that may be inconsistent or low-quality. Getting borrowers or on-lending institutions to report on

outcomes (yields, jobs, environmental practices) is often not built into loan agreements. As a result, PDBs frequently lack direct line of sight to impact, leading to patchy or delayed data.

Insights from banks' interviews

Data gaps are structural rather than institutional. Second-tier banks such as FIRA rely on parametric estimations and satellite data, while first-tier banks like AFC combine sample-based field data with digital dashboards. BNDA and LBA report that outcome-level data collection remains costly and largely donor-driven.

Data Quality and Consistency

Even when KPIs are defined, ensuring accuracy and consistency across portfolios is challenging. Different departments or intermediaries may interpret indicators differently; for example, what counts as a "female entrepreneur" or how to calculate "jobs created". Without standardized methodologies and training, KPI data can be unreliable. Manual data entry and paper-based systems compound this risk. Best practice is to develop clear indicator definitions (adopting IRIS+ definitions or similar) and to provide training to all data collectors and reporting parties.

Insights from Agri-PDB Interviews

AFC and LBA explicitly highlight the coexistence of multiple taxonomies (donor, national, international), creating confusion and inefficiencies. This reinforces the need for a limited set of harmonized core KPIs rather than exhaustive indicator lists.

Attribution and Additionality

Even when data is available, isolating the impact attributable to the PDB's financing intervention remains difficult. If a bank reports that farmers' incomes grew 20% after receiving loans, how much of that change was due to the loan versus weather, market prices, or parallel government programmes? Defining KPIs that capture the bank's additional impact; beyond what would have happened anyway; requires careful design, possibly including control groups or counterfactual analysis. These methods are technically demanding and rarely feasible for PDBs at scale given resource constraints.

In practice, Agri-PDBs should apply a proportionality principle: the level of evidence required should be proportionate to the size and strategic importance of the operation. For large transactions or thematic bond issuances, before/after comparisons, sampled evaluations, or third-party verification are appropriate. For high-volume smallholder portfolios, parametric models calibrated to loan type and region offer a scientifically grounded, lower-cost alternative. For smaller operations, output-level KPIs remain valid contribution evidence when the causal pathway to outcomes is clearly described. The KPI dictionary should document, for each indicator, the evidence standard applied and the main confounding factors acknowledged.

Capacity and Resource Constraints

Many Agri-PDBs, particularly in lower-income countries, are relatively small institutions with limited staff and monitoring budgets. They may lack dedicated M&E experts or data scientists. The ICR Facility notes that national PDBs "often have limited resources and capacities and lack access to international funding", which extends to their ability to implement sophisticated impact management systems. Collecting impact data can be costly, requiring surveys, IT systems, or external consultants. Many banks face the difficult question of how much to invest in impact measurement versus channelling funds to clients. Securing budget for impact M&E requires convincing leadership of its long-term institutional value.

Institutional Buy-In and Utilization

Getting internal buy-in to not only collect KPIs but to actively use them in decision-making is a persistent challenge. KPI reporting is sometimes treated as a compliance exercise for shareholders, without integration into core management. When loan officers and credit committees are not evaluated or incentivised on impact performance, they are unlikely to prioritise data quality. Shifting institutional culture toward impact-orientation is a gradual process. It requires leadership signalling (for example, including impact targets in the corporate scorecard alongside financial targets) and sustained training of operational staff.

Technical Systems and Tools

Many PDBs lack IT systems capable of capturing and reporting impact metrics. Unlike financial metrics tracked in banking software, impact metrics often require custom databases or survey tools. Few institutions have integrated impact KPIs into core banking systems or loan appraisal forms. The absence of user-friendly data systems leads to siloed or ad hoc information gathering. Progress is being made: some banks are exploring digital

solutions, and the Agri-PDB Platform has demonstrated tools such as the ABC Map climate assessment tool that could be adapted for impact monitoring.

Timing and Reporting Frequency

Agricultural and environmental impacts often materialize over longer timeframes, soil health improvement, income changes across multiple seasons, while PDBs face pressure to report results annually or within political cycles. This mismatch encourages a focus on easier-to-measure short-term outputs rather than meaningful long-term outcomes. It also creates attribution timing risks: counting a loan disbursement as an outcome when the actual impact will occur later. Monitoring continuity is frequently lost when projects close and staff rotate. Establishing tracking mechanisms that extend beyond the loan disbursement cycle remains one of the least-addressed implementation gaps.

5. Best Practices from PDBs and DFIs Worldwide

Public Development Banks (PDBs) working in agriculture can significantly enhance their development contribution by learning from established approaches used by other impact-oriented financial institutions. International benchmarks help Agri-PDBs align with recognized standards, improve decision-making based on development impact, and strengthen stakeholder credibility. The selected best practices illustrate how impact can be managed across the full project lifecycle, from origination to monitoring and reporting, and translated into internal performance management.

Observed integration models among Agri-PDBs

During the interviews with agri-PDBs, discussions revealed that, beyond a shared recognition of the importance of impact measurement, institutions differ significantly in the way KPIs are operationalized, collected, and integrated into internal systems. These differences reflect variations in institutional mandates, data infrastructure, governance maturity, and donor relationships. Overall, even where formal KPI systems are not fully developed, PDBs use a range of approaches varying from ad hoc indicators to more structured frameworks permitting to monitor impact.

The table below synthesizes the main integration models identified through the interviews, illustrating how Agri-PDBs combine methodological choices, data sources, and reporting practices to monitor and communicate impact.

Table 4: Comparative Analysis of integration models

<i>Model</i>	<i>Bank</i>	<i>Characteristics</i>
Second-tier, model-based	FIRA	Parametric estimation, consolidated reporting, High level governance
First-tier, field-based	AFC	Sample-based field data, dynamic dashboards
Donor-driven, project-based	BNDA, LBA	KPIs depending on financing lines/donors. <i>A subset of KPIs can be integrated into the bank's core information system, depending on the institution's available capacities, competencies, and alignment with its core mandate.</i>
Policy bank, plan-based	ADBC	Impact and ESG objectives embedded in national five-year plans

There is no single pathway to impact integration. What matters is internal coherence between the bank's operating model, data strategy, and decision processes.

Table 5: Best practices for implementing impact KPI's

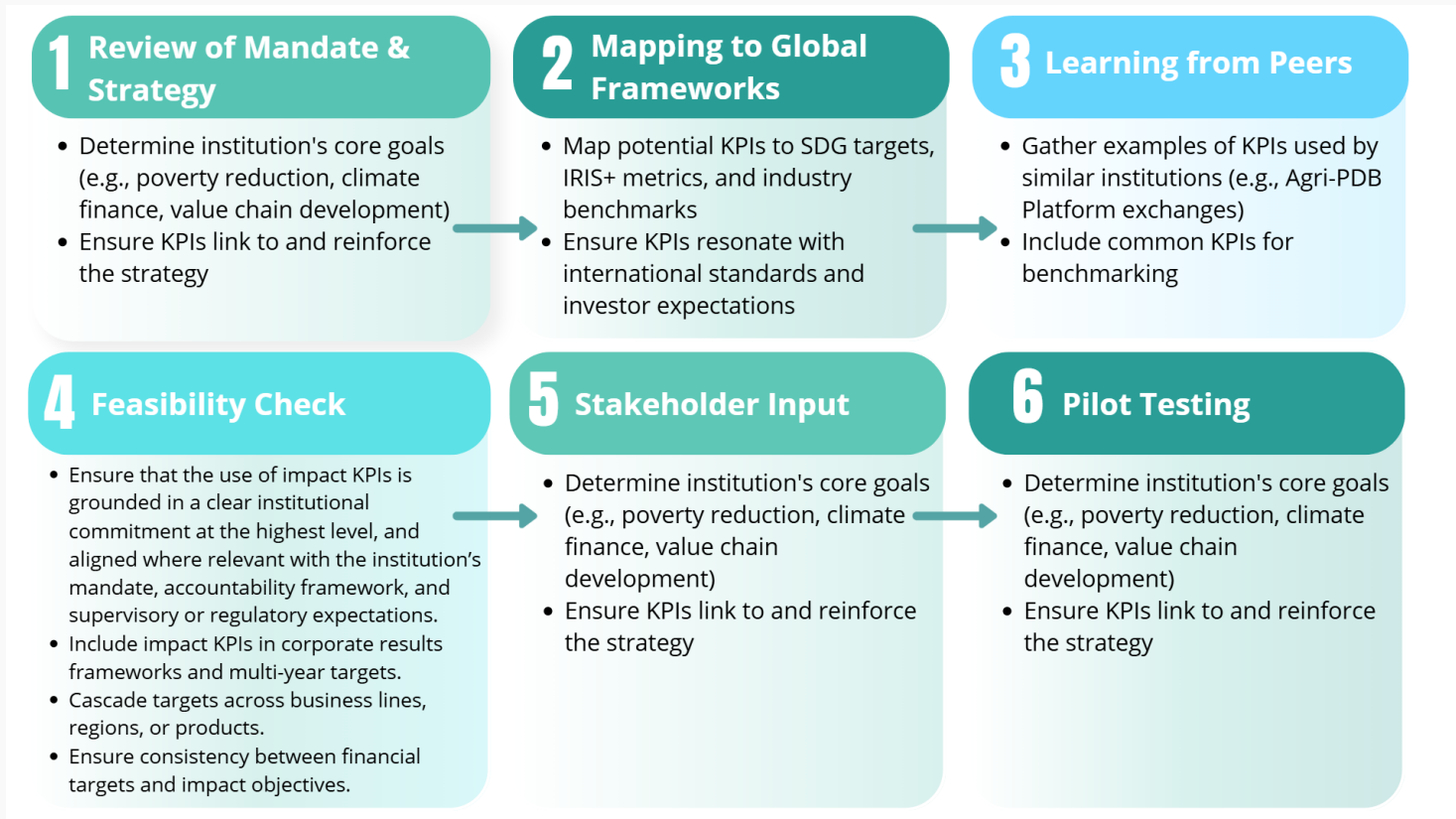
<i>Internal Best Practice</i>	<i>Objective</i>	<i>Examples from Agri-PDBs / DFIs</i>
<i>Strategic alignment & governance</i>	Ensure impact KPIs are fully integrated in the strategic plan, risk management processes, and investment decision models. Impact becomes a mandatory criterion for project approval and portfolio steering.	IFC uses the AIMM scoring during credit approvals to ensure development outcomes drive investment decisions. IDB Invest sets minimum impact scores for high-profit projects. [21] UDB built around a core set of macro KPIs (notably jobs created and maintained, the value of output generated by supported enterprises, tax contributions and foreign exchange earnings) which are reported annually and disaggregated by sector. These indicators are explicitly linked to national development priorities (industrialisation, agribusiness, infrastructure, social sectors) and are compiled by a dedicated internal function, with findings disclosed in stand-alone impact reports, which strengthens transparency towards government and stakeholders.
<i>Dedicated Impact & Sustainability Units</i>	Professionalize impact measurement, ESG risk management, and monitoring & evaluation (M&E) to guarantee data quality and credible reporting.	UDB and Mexico's FIRA (a public trust fund for rural development) have internal M&E and sustainability specialists ensuring alignment with recognized standards (e.g., SDGs, ESG safeguards). [20]
<i>Capacity building & staff incentives</i>	Develop in-house expertise on sustainability, climate finance, gender inclusion and youth entrepreneurship. Encourage staff to prioritize outcomes beyond loan disbursement volumes.	Some Agri-PDBs run impact finance training programs for young staff, and link performance bonuses to achievement of impact goals (e.g., outreach to smallholders, climate resilience metrics). Examples: IFC Green Banking Academy (training for executives, credit/risk officers, product teams, and sales staff); IFC customized climate-finance training for loan officers and front-line teams; Campus AFD sustainable finance and climate finance courses for development bank executives

		and managers; EIB e-learning on Environmental and Social Sustainability Management for operational application of E&S standards.
Digital data systems	Improve traceability, accuracy, and accessibility of impact indicators through automation and digitalization. Facilitate real-time monitoring and management dashboards.	Several PDBs are integrating MIS with geospatial tools , mobile data collection, and impact dashboards, allowing project teams and senior management to track portfolio results more granularly (FIRA is using GIS to estimate production) Examples: Google Earth Engine; FAO Earth Map; ArcGIS and ArcGIS Survey123 for field georeferenced data collection, portfolio mapping, satellite-based land monitoring, and dashboard reporting
Impact culture	Strengthen staff motivation and ownership of development outcomes by recognizing and rewarding high-impact performance across branches and teams.	Banks can reinforce impact culture through internal and institution-wide recognition mechanisms. For example, Ecobank runs a “Group Chairman’s Sustainability Award” that gives internal and external recognition to affiliates for sustainability performance, while the EBRD uses public Sustainability Awards to showcase strong impact achievements and make sustainability visible across the institution and its stakeholders. More broadly, banks can formalise sustainability champions or green teams to recognise staff who promote impact, climate, or inclusion objectives in day-to-day operations.

6. Identifying Relevant KPIs, Process and Integration Points:

To identify a relevant, credible, and operational set of impact KPIs, a Public Development Bank (PDB) typically follows a structured process that combines strategic alignment, technical analysis, and stakeholder consultation as described in the following graph:

Graph 3 : KPIs Identification Process



Insights from Agri-PDB Interviews

Interviews show that KPI selection is rarely a purely technical exercise. In practice, indicators emerge from a combination of donor requirements, internal strategy, and data feasibility. Banks with more advanced systems (e.g. FIRA, AFC) progressively rationalize indicators over time, while others rely on donor-specific KPI sets, resulting in fragmentation and limited comparability.

Once KPIs are selected, integrating them into the Financial institutions' organizational processes is crucial for them to have real impact :

- **Strategic Planning:** The use of impact KPIs should be anchored in a clear institutional commitment at the highest level, aligned with the institution's mandate, accountability framework, and, where applicable, supervisory or regulatory requirements. These KPIs

should be embedded in the bank's strategic planning and corporate results framework, including the definition of multi-year targets that reflect priority development outcomes (for example, targets related to outreach, job creation, or emissions reduction). Such objectives should be formally integrated into high-level strategy documents and annual corporate scorecards, signaling their importance alongside financial performance.

To ensure operational relevance, these targets should be cascaded across business lines, regions, and financial products, while maintaining consistency between financial objectives and impact ambitions. This alignment helps ensure that impact considerations are systematically incorporated into decision-making and performance management across the institution.

Three Governance Questions

A relevant impact-indicator system should answer three fundamental governance questions.

1. **What change do we want to produce?** Indicators must derive explicitly from the public mandate and strategic priorities rather than being imported from external frameworks.
2. **Where should capital be directed to maximise impact?** Impact KPIs must enable comparison of the performance of products, segments, and portfolios to guide resource allocation decisions.
3. **How do we know the strategy is working?** Indicators must be integrated into governance dashboards and reviewed regularly alongside financial metrics to enable timely corrections.

These three questions provide the practical test for whether a KPI is genuinely strategic or merely reportable.

Appraisal and Approval Process: Impact KPIs should be systematically integrated at the project appraisal stage, alongside financial and risk assessments, to ensure that development outcomes are considered in investment decisions. At this stage, staff evaluate the expected performance of each operation against a set of relevant KPIs, prioritizing those directly linked to the financing provided. Similar to AIMM-type approaches, project proposals can include an "Impact KPI forecast" section outlining anticipated results, for example, the number of beneficiaries reached, share of women included, expected job creation, or productivity improvements. This allows decision-

makers to weigh development impact alongside financial return and risk when approving projects. [15]

For portfolios composed of numerous small transactions, it is essential that these KPIs are defined in a consistent and standardized way at the transaction level, enabling reliable aggregation and monitoring at the portfolio level. At the same time, a clear distinction should be made between direct, financing-related KPIs (such as outreach or production increases) and broader indirect effects (such as employment, income generation, or improved market access), which are often more difficult to attribute and measure.

To strengthen impact assessment, proportionate scoring or screening mechanisms, particularly for larger transactions, flagship products, or thematic portfolios, can be applied. These mechanisms help prioritize investments with higher expected impact and ensure that capital is allocated efficiently toward projects delivering meaningful and measurable development outcomes.

Operations and Monitoring: Internally, the Financial institution may assign responsibility for each KPI's monitoring. Often a dedicated Monitoring & Evaluation (M&E) unit or sustainability unit is charged with tracking impact performance. Integration means these units coordinate with frontline departments: loan officers collect certain data at client onboarding or during supervision visits. For example, credit applications could be modified to include fields for projected jobs or environmental actions, so that data collection starts from the client's first interaction. Over time, Financial institutions might integrate KPI tracking into their core banking software or a parallel impact database. Additionally, staff should be trained and given guidelines (e.g. how to survey a client for outcome data). An important aspect is feedback loops, M&E reports on KPI progress should feed into management meetings and portfolio reviews. If, say, the bank is falling short on its gender inclusion target, management can decide on course corrections (like launching a special program for women borrowers).

Incentives and Culture: To truly integrate KPIs, staff behavior and bank culture should align with impact goals. This could include setting up recognition or even performance incentives for achieving impact targets (carefully balanced to avoid encouraging misreporting). For instance, a PDB could celebrate the "Branch of the Year" not just for highest disbursements, but also for strongest impact results (highest number of smallholders reached or highest average yield increase). Leadership can champion success stories (e.g. a project that excelled in environmental restoration) in internal

communications. Over time, this builds a culture where impact is seen as part of everyone's job, not an external reporting burden.

Global best practices suggest that Agri-PDBs should pursue integrated solutions rather than finance alone. The IFE-FST initiative highlights that combining financial products with technical assistance and digital delivery channels can greatly enhance smallholders' access and outcomes. In practical terms, this means the bank might accompany loans with agronomic advice (e.g. soil management or climate-smart techniques) and leverage mobile platforms or agritech partnerships to reach remote clients. By embedding such non-financial support into operations, the PDB can improve the effectiveness of its lending, a synergy that our impact KPIs would then capture (e.g. higher yields, better repayment rates). Integrating impact measurement into strategy thus goes hand-in-hand with integrating services on the ground.

7. Data Collection Methods and Proxy Indicators:

Agricultural finance presents specific data challenges linked to the nature of farming systems, climate variability, and the structure of agricultural lending. The IFE-FST report highlights that many Agri-PDBs lack reliable and granular data on local weather patterns, crop yields, and other climate-related variables, which significantly constrain their ability to assess risks and measure outcomes accurately. These gaps limit both ex-ante decision-making and ex-post impact evaluation.

To tackle that challenge, Agri-PDBs can rely on a range of complementary methods and tools:

- **Leverage Existing Reporting Channels:** For indirect lending (MFIs, cooperatives, agribusinesses), require a small number of standardized reporting fields (e.g. beneficiary numbers, gender/age disaggregation, basic practices adopted). Provide templates and definitions to limit interpretation differences. A similar approach can be used when financing certified agricultural sectors or value chains that already produce third-party verified information, such as organic farming, zero-deforestation schemes, or fair-trade certification. In such cases, existing certification data can serve as a useful input for selected KPIs, provided its scope, methodology, and frequency are clearly understood.
- **Use of Technology:** Digital tools can significantly ease data collection. Mobile survey platforms (like TaroWorks or KoboToolbox) can enable loan officers or third-party

surveyors to collect farmer data in the field using tablets/smartphones and upload to a central system. Remote sensing (satellite or drone imagery) is increasingly used to estimate agricultural outcomes, e.g. measuring crop yields, detecting deforestation or land use changes on farms financed. For instance, a PDB could use satellite data to verify how many hectares of land are under new sustainable practices by looking at vegetation indices or land cover changes (some projects like SIGMA by ESA, or collaboration with research institutes, can assist). Fintech solutions can also help: if farmers are paid via mobile money, transaction data could indirectly indicate income changes.

- **Proxy Indicators and Sampling:** As noted, when direct measurement is not feasible, well-chosen proxies and sampling techniques are invaluable. For example, instead of trying to measure each end-borrower's income (impossible if thousands of small loans through an intermediary), a proxy could be the *portfolio composition*, assume a typical outcome per loan type (This implies a taxonomic breakdown of the projects to be financed). Or conduct sample surveys on a subset of clients to estimate impact on the broader population. *Case studies* can complement the numbers: a few in-depth farm case studies can illustrate impact qualitatively (e.g. a farmer's story of yield increase and income use). Though not statistically representative, they enrich understanding and can validate whether the quantitative proxies are plausible. Rabobank's approach of measuring farming practices (GHG, land use) as a proxy for biodiversity health is a prime example of a smart proxy, it simplifies data collection yet correlates with the desired outcome (more birds, pollinators, etc., presumably return when those practices improve) [9].
- **National and Global Data Sources for Baselines and Benchmarking:** National statistics offices or existing datasets from globally renowned entities like WB (LSMS surveys) or FAO (Earth map, abc-map, etc.) provide freely accessible information which can serve as baseline or context data to which PDB client outcomes are compared.

Methodological Note: Attribution and Additionality

Two methodological challenges recur across all data collection approaches and should be explicitly addressed in any Agri-PDB impact system: attribution and additionality.

Attribution refers to the degree to which observed changes in a KPI (such as income growth, yield improvement, or GHG reduction) can be causally linked to the PDB's financing rather than to external factors such as seasonal weather variation, commodity price movements, parallel government programmes, or other donor interventions. Full

causal attribution typically requires quasi-experimental designs or randomized comparisons, which lie beyond the operational capacity of most Agri-PDBs. A more feasible approach is contribution analysis: documenting the plausible causal pathway through which the financing influenced the outcome, acknowledging co-contributing factors, and using available evidence (baseline data, sampling surveys, beneficiary interviews) to assess the direction and approximate magnitude of the PDB's contribution. KPI dictionaries should explicitly state the attribution assumption underlying each indicator and its known limitations.

Additionality concerns whether the financed activity would have occurred in the absence of the PDB's intervention. A PDB that finances bankable clients already served by commercial banks adds limited development value, even if its loans produce measurable outputs. Conversely, a PDB that extends credit to smallholders or agri-SMEs excluded from commercial finance, or on terms (tenor, grace period, concessional rate) that no private lender would offer, demonstrates genuine financial additionality. Additionality can be approximated through portfolio diagnostics: tracking the share of first-time borrowers, the proportion of clients in underserved zones, or the degree to which loan terms depart from commercial benchmarks. Where feasible, Agri-PDBs should document additionality rationale at origination and revisit it at portfolio review, as part of the KPI governance cycle.

In practice, most Agri-PDBs are not expected to produce rigorous counterfactual evaluations for every transaction. The standard recommended here is one of proportionality and transparency: institutions should invest in stronger attribution and additionality evidence for their largest, highest-risk, or most strategically material operations, while using pragmatic proxies and documented assumptions for smaller loans and standardized products. The critical discipline is to avoid treating output data (number of loans disbursed, clients reached) as evidence of outcome-level attribution without explicitly stating and defending that assumption.

Finally, impact measurement is not only about collecting data, but also about ensuring the reliability, accuracy, and integrity of that data. This is where **verification and data quality control** play a critical role. To safeguard credibility, Agri-PDBs should periodically verify reported information through mechanisms such as internal spot checks, reviews conducted by internal audit units, or independent evaluations on a sample of projects. As illustrated by FIRA, which plans to subject its impact reports to external audits in line with its green and social bond frameworks, third-party verification can significantly enhance transparency and investor confidence. Similarly, Agri-PDBs may engage external

evaluators or leverage donor-supported evaluation facilities to validate selected indicators, such as job creation or environmental performance. Beyond strengthening trust, verification processes also help identify data gaps or inconsistencies, enabling continuous improvement of impact data systems.

8. Reporting, Verification, and Monitoring Over Time:

Establishing an impact KPI system only becomes meaningful when it is supported by a robust approach to reporting, verification, and ongoing monitoring. For Public Development Banks (PDBs), the ability to measure, document, and strengthen their impact performance over time is a core component of effective governance and institutional credibility. Structured reporting transforms collected data into actionable insights, independent verification enhances trust among stakeholders, and continuous monitoring ensures that learning translates into strategic adjustments. The objective is therefore not merely to produce numbers, but to create a virtuous cycle of continuous improvement, where impact indicators become true management tools guiding operations, shaping strategy, and reinforcing the bank's development mandate. International benchmark models also show that such systems can be operationalized through portfolio-level methodologies, assurance mechanisms, and incentive structures adapted to different institutional contexts.

- **Internal Reporting and Learning:** KPI tracking should be continuous but typically compiled quarterly or annually for review. Management should receive dashboard reports of the impact KPIs alongside financial KPIs. For instance, a quarterly report might show: loans disbursed, NPL ratio, and also jobs created this quarter, GHG reduced, etc., against targets. This integrated reporting helps break the silos between “finance” and “impact” departments. Importantly, the data should be used for learning: analyze which types of projects are yielding the best impact per dollar, or which regions lag behind in outcomes, to inform future operations.
- **External Reporting:** PDBs should publish their impact KPIs in annual reports or dedicated sustainability reports. Transparency is key for accountability to shareholders (often governments) and to the public. Many PDBs are now including sections mapping their activities to SDGs. For example, BNDES consolidated its results by SDG in an annual report. The Agri-PDB Platform could encourage members to report a common set of core KPIs publicly (perhaps a lightweight “impact report” template for PDBs). For global audiences, aligning with frameworks like the Global Reporting Initiative (GRI) or using IRIS+ metrics can make the disclosures more credible. When reporting, it's

vital to explain definitions and methodologies (e.g. how jobs are counted) to avoid confusion and allow fair comparison. [18]

- **Verification and Assurance:** Verification mechanisms are essential to enhance the credibility and reliability of impact data. Public Development Banks (PDBs) can engage independent auditors or evaluators to provide assurance on reported indicators, in a manner like financial audits. This may initially apply to specific programs (for example, donor-funded credit lines requiring external evaluations), and progressively evolve toward “limited assurance” engagements, where third parties review data collection processes and test selected indicators for accuracy.

Assurance refers to independent validation of reported data. In contrast, management and disclosure frameworks, such as the Task Force on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD), guide how institutions identify, manage, and report sustainability risks and impacts, but do not constitute verification mechanisms. Certification standards, such as ISO 14001 (environmental management systems) or ISO 14064 (greenhouse gas quantification and verification), provide structured methodologies and can support robust data systems, but are distinct from project-level impact assurance. Labelling schemes, for instance alignment with the International Capital Market Association (ICMA) Green Bond Principles, signal that financial instruments meet specific sustainability criteria, without necessarily verifying actual impact results. Finally, non-financial regulatory reporting refers to mandatory sustainability disclosures required under applicable legal or supervisory frameworks, which may include standardized indicators but do not always involve independent assurance.

- **International benchmark references for operationalization**

International experience shows that several of the practices recommended in this note are already being applied in operational settings and can therefore serve as practical benchmarks for Agri-PDBs. The eco.business Fund provides a useful example of portfolio-level environmental KPI computation through the combination of partner-reported field data, proxy-based methodologies, and third-party coefficients to estimate indicators such as CO₂ emissions avoided, water savings, and hectares under sustainable management. Its impact management approach is further strengthened by external verification, including alignment with the Operating Principles for Impact Management and independent assessment to a high assurance standard. FIRA offers a relevant model for linking impact KPIs to capital market instruments, particularly through its green and social bond frameworks, where selected environmental and

social indicators are tied to reporting commitments and external audit requirements. Aceli Africa, by contrast, illustrates how impact can be embedded directly into financing economics: its incentive structure links financial support mechanisms to performance across core impact domains such as gender, climate, food security, and youth inclusion. Taken together, these examples demonstrate that the approaches proposed in this report are not theoretical. They provide Agri-PDBs with concrete operational benchmarks at different levels of institutional ambition, ranging from portfolio-level estimation and external assurance to incentive-based lending design.

- **Monitoring and Feedback Cycle:** Monitoring doesn't end at data collection; it involves acting on the insights. If a KPI is off-track (for example, if *"number of farmers reached"* is lower than expected because certain products aren't attracting uptake), the PDB can investigate why. Perhaps loan terms are not suitable or outreach is lacking, prompting a strategy adjustment. In another case, if an environmental KPI like *"hectares under climate-smart agriculture"* is low, it might signal the need to develop new green finance products or capacity building for clients. The impact KPIs thus become navigational tools, not just retrospective reports.

By putting these practices into action, PDBs go beyond ticking boxes on KPI reports. They start genuinely managing for impact. In other words, impact data stops being a static dashboard and becomes a living tool that guides decisions, shapes strategy, and helps the institution deliver stronger, real-world results.

9. Prioritized Set of Impact KPIs for Agri-PDBs and the Role of a KPI Dictionary

Before deploying any indicator, each Agri-PDB should establish a KPI dictionary, a structured institutional reference that defines, for every indicator: its scope and precise definition; data sources (internal records, client reporting, surveys, proxy estimates, or external datasets); collection frequency and responsible function; calculation methodology and known limitations; as well as alignment with international frameworks such as IRIS+ or HIPSO.

Far from being an administrative formality, the KPI dictionary is the foundation of consistent measurement, enabling year-on-year comparability, harmonization across teams and lending lines, and credibility with external stakeholders. Institutions that invest early in such a tool avoid the definitional fragmentation and inconsistencies that often limit the effectiveness of less mature KPI systems.

Building on this foundation and the precedent chapters, this chapter presents a prioritized set of impact KPIs for Agri-PDBs, derived from both international reference frameworks and the operational realities expressed by interviewed institutions. Each KPI has been selected based on its strategic relevance, operational feasibility, and alignment with the core development objectives of agricultural public development banks.

The proposed 15 indicators provide a practical and standardized starting point. They are aligned with IRIS+, SDGs, HIPSO, and established international practices, and are structured across the three key dimensions of impact expected from Agri-PDBs.

Economic Impact KPIs

Indicator	Definition	Data Source	Frequency	Tool / Method
Agricultural Clients Reached (by type)	Number of farmers or agri-business enterprises financed, disaggregated by type (e.g. smallholder, SME, cooperative). This measures the scale and inclusiveness of outreach. It reflects the PDB's contribution to expanding financial access in the rural/agricultural sector. (Rationale: Reaching more underserved clients is often a core mandate. This indicator ties to SDG 8.10 on access to financial services and was highlighted as “Customers by type” in platform discussions.)	PDB administrative records, client databases, partner institutions	Quarterly / Annual	MIS systems, dashboards, statistical reporting tools
Employment Generated	Number of jobs created or maintained in supported projects or enterprises. Typically reported in full-time equivalent (FTE). It captures direct employment at the financed entity and can include estimates of indirect jobs in value chains. (Rationale: Job creation is a key economic benefit of investment. For example, UDB tracked over 41k jobs from its portfolio. This KPI aligns with SDG 8 (Decent Work) and is common among DFIs. It helps demonstrate how financing translates into livelihoods.)	Enterprise reports, employment registries, audits, monitoring visits	Quarterly	HR audits, field verification, enterprise surveys
Increase in Farmer Income or Productivity	Average percentage increase in income or yield for farmers/enterprises supported, measured after intervention. This can be gathered via sample surveys or reported by clients. (Rationale: Ultimately, raising beneficiary incomes and productivity addresses poverty and food security. Although attribution can be tricky, this KPI focuses on outcome level change beyond just providing finance. It links to SDG 1 (No Poverty) and SDG 2 (Zero Hunger).)	Household surveys, farmer records, cooperative reports	Annual	Surveys (digital or paper), SPSS/Stata for analysis

Value of Agricultural Production Facilitated	Total value of outputs (crop, livestock, or processed products) produced by clients financed (in USD). This indicates the economic output enabled by the PDB's financing. UDB, for instance, reported the "output value" of companies it financed, which was UGX 2.445 trillion in 2021. (Rationale: This showcases contribution to economic growth and food supply. It's especially useful for agri-processing or value chain projects. It also ties into tax revenue generation and foreign exchange earnings, which UDB also tracked.)	Enterprise financial reports, production logs, cooperative records	Annual	Financial analysis tools, accounting software, Excel
Leverage of Funding (Investment Mobilized)	Amount of additional investment mobilized alongside PDB funding, such as co-financing from private banks or investors, or borrower's own contribution. This can be expressed as a ratio (total project cost / PDB funding). (Rationale: PDBs often aim to crowd-in other finance. A higher leverage indicates that the PDB's involvement attracted more capital to the sector. This speaks to the catalytic role of PDBs and efficient use of public resources)	Financing agreements, co-financing partner data, project budgets	Annual	Financial modelling tools, project finance systems

Insights from banks' interviews

All interviewed banks track outreach and employment indicators. Only FIRA and AFC currently estimate income or productivity outcomes, using respectively parametric models and field sampling. BNDA and LBA acknowledge these indicators as strategic but not yet operational at scale.

Social Impact KPIs

Indicator	Definition	Data Source	Frequency	Tool / Method
Financial Inclusion of Underserved Groups	Number of first-time borrowers or unbanked people receiving loans. For example, how many borrowers had never had formal credit before. This is a direct indicator of expanding financial access. It can be broken down further (women, youth, smallholders in remote areas). (Rationale: This shows outreach to populations that were previously excluded, a key social goal. Aceli Africa found 48% of its supported loans in Year 1 went to first-time borrowers, exceeding targets. Such a KPI aligns with SDG 8.10 and 9.3 on financial inclusion.) https://aceliafrica.org/app/uploads/2021/12/AceliAfrica_Year1_LearningReport.pdf	Loan databases, client onboarding forms, credit registry checks	Quarterly	MIS systems, digital loan management tools, surveys
Gender Inclusion	Percentage of financing or projects that are gender-inclusive, and/or number of female beneficiaries empowered. This may include: proportion of loans to women-led enterprises, number of women farmers reached with services, or meeting the 2X Challenge criteria (as Aceli used) for gender inclusion. (Rationale: PDBs increasingly prioritize gender equality. This KPI monitors progress toward SDG 5 . For instance, Aceli reported 63% of its loans met a gender inclusion standard (vs. an industry benchmark of 30%). PDBs could set targets to increase lending to women or ensure a certain share of beneficiaries are female.) https://aceliafrica.org/app/uploads/2021/12/AceliAfrica_Year1_LearningReport.pdf	Credit files, enterprise profiles, gender-tagged project records	Annual	Gender assessment tools, portfolio tracking systems

<i>Youth Empowerment</i>	Number of youth (e.g. under 35) benefiting from projects (as entrepreneurs, employees, or trainees). This might include the count of youth-led startups financed or jobs for youth created. (Rationale: With large youth populations in many developing countries, PDBs target youth employment and entrepreneurship. This KPI tracks contributions to SDG 8 (youth employment) and SDG 4.4 (skills for youth). It also future-proofs the agricultural sector by engaging the next generation.)	Enterprise reports, training registries, financing records	Quarterly / Annual	HR systems, training monitoring platforms, youth tagging tools
<i>Food Security and Nutrition</i>	Number of people reached with improved food security or nutrition as a result of projects. This could be measured by the number of households whose food production or access increased, or the number of nutrition-sensitive projects financed. For instance, PDBs might count how many farmers adopted bio-fortified crops or how many school feeding programs were supported. (Rationale: Many Agri-PDBs have an explicit goal to improve food security (SDG 2). While harder to quantify, linking financing to outcomes like improved dietary diversity or reduced seasonal hunger in communities strengthens the case for PDB interventions. A simpler proxy is the volume of food produced or distributed by supported projects, or the population served by those projects.)	Household surveys, project reports, agricultural production records, NGO nutrition datasets	Annual	Survey tools, food security assessment frameworks, nutritional indicators
<i>Access to Training and Capacity Building</i>	Number of beneficiaries (farmers, MSMEs, cooperatives) receiving technical, managerial, or financial training through PDB-financed projects or complementary support programs. This includes agricultural extension services, business development support, and financial literacy initiatives. (Rationale: Access to training enhances productivity, sustainability, and long-term impact of PDB financing.)	Project reports, training attendance records, partner institutions, extension service providers.	Quarterly / Annual	Training databases, participant lists, monitoring reports, surveys.

Environmental Impact KPIs

Indicator	Definition	Data Source	Frequency	Tool / Method
<i>Greenhouse Gas Emissions Avoided</i>	Estimated reduction or avoidance of CO ₂ -eq emissions (in tons/year) due to the project. This is relevant for projects that introduce climate-smart practices, renewable energy, or deforestation avoidance. For green finance, it's a primary metric, FIRA's green bond reporting, for example, includes "Reduced emissions (ton CO ₂ e/year)" as an impact indicator. (Rationale: Climate change mitigation is paramount (SDG 13). PDBs funding biogas, solar irrigation, or agroforestry can calculate emissions saved compared to baseline. Methodologies like IFI Joint Harmonized Framework for GHG Accounting can be used. A quantitative GHG KPI shows commitment to low-carbon development.) [20]	GHG inventories, project reports, remote sensing data, IFI GHG calculators	Annual	GHG accounting tools (IPCC), carbon calculators, satellite monitoring, ABC map
<i>Area of Sustainable Land Use</i>	Hectares of land under improved sustainable practices due to the project. This could include land under organic farming, conservation agriculture, reforestation, or rehabilitated pasture. FIRA, for instance, tracks hectares of ecosystems where sustainable management practices have been introduced. (Rationale: This KPI captures progress in agroecology and soil conservation (ties to SDG 15, Life on Land). Increasing hectares under sustainable management indicates reduced environmental degradation and better long-term productivity.) [20]	Project monitoring data, land management plans, GIS mapping	Annual	GIS/remote sensing tools, land surveys, field monitoring
<i>Biodiversity Conservation/Restoration</i>	Biodiversity impact indicators may include measures such as the hectares of habitat protected or restored, the number of native tree species planted, or the use of an on-farm biodiversity index. Direct	Field biodiversity surveys, ecological	Annual	Biodiversity index, ecological monitoring tools,

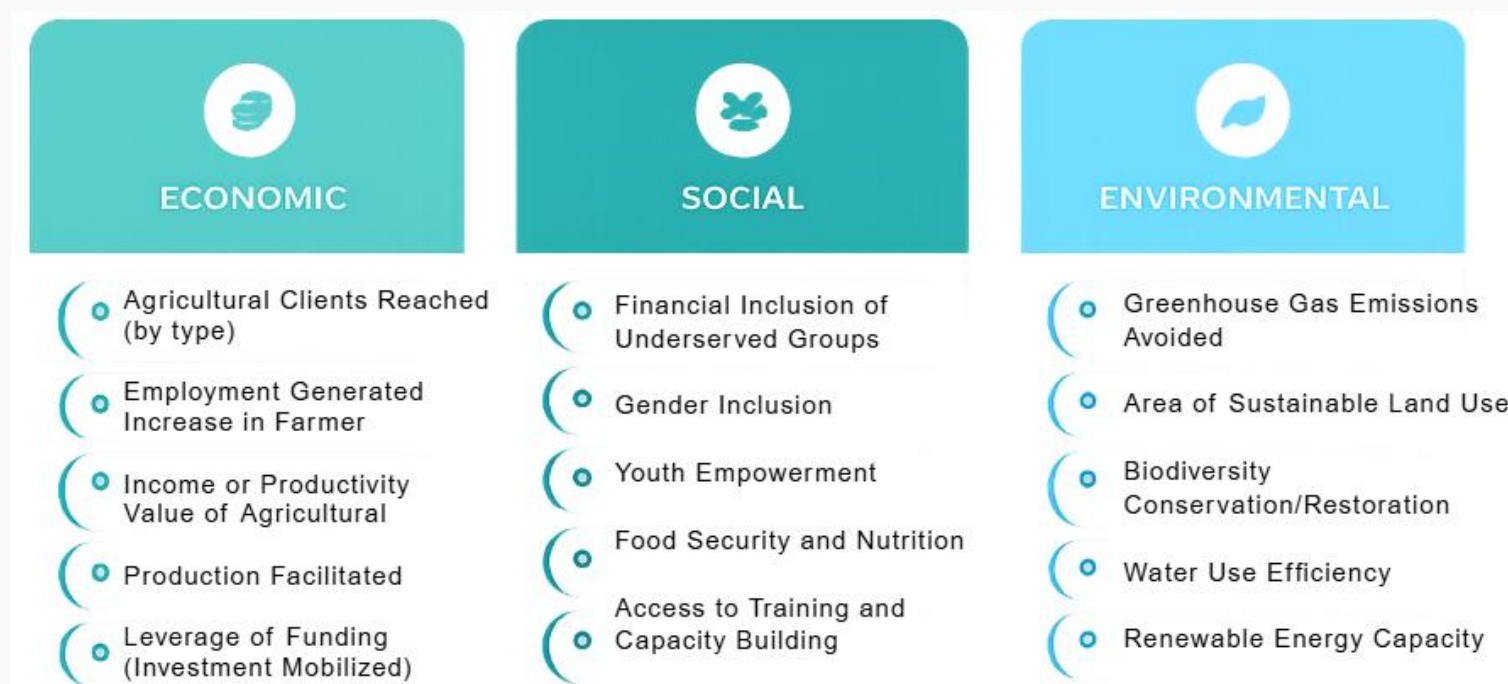
	measurement of biodiversity outcomes is often complex and costly, therefore, many financial institutions rely on proxy indicators, such as tracking farming practices known to support biodiversity, an approach notably used by Rabobank. Given that halting biodiversity loss (SDG 15) is a global priority and that agriculture is a major driver of ecosystem degradation, incorporating biodiversity-related KPIs ensures that PDBs actively promote nature-positive practices. In practice, this may involve monitoring the number of agroforestry projects financed, the area of ecological buffer zones established around sensitive ecosystems, or the reduction in the use of harmful agricultural inputs, including chemical fertilizers and pesticides.	assessments, forestry reports		ABC map, species inventories
<i>Water Use Efficiency</i>	Volume of water saved or treated (in m³), or number of farmers adopting water-efficient irrigation. This could also encompass wastewater treatment capacity installed. (Rationale: Agriculture is water-intensive, so improving water efficiency and quality is key for sustainability (SDG 6). An impact metric here could be, for example, “million m³ of water saved per year” by introducing drip irrigation, as FIRA includes in its metrics. It highlights resource conservation achievements.)	Irrigation system data, water meters, project reports, farmer surveys	Seasonal / Annual	Irrigation sensors, hydrological models, water accounting tools, ABC map
<i>Renewable Energy Capacity</i>	Amount of renewable energy capacity installed (in kW or MWh/year) in agricultural operations, e.g. solar-powered cold storage, biomass generators. Also, energy savings achieved through efficiency measures. (Rationale: This shows contribution to clean energy (SDG 7) in the agriculture sector. Many PDBs support solar irrigation or agro-processing energy solutions. FIRA's framework tracks additional	Project technical reports, energy audits, equipment specifications	Annual	Energy monitoring systems, renewable energy calculators

	renewable generation capacity and energy saved. It's a concrete, measurable KPI for climate action.)			
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Insights from banks' interviews

Interviews reveal that while all banks finance water-related and climate-smart investments, quantitative water indicators remain underdeveloped. Most institutions rely on project tagging or qualitative classification, suggesting a need for progressive rather than immediate quantification.

Graph 4 : Impact KPI's Mapping



KPI Applicability: First-Tier vs. Second-Tier Agri-PDBs

The 15 priority KPIs presented in this chapter apply to the full universe of Agri-PDBs, but their practical implementation differs materially depending on whether the institution operates as a first-tier lender (lending directly to farmers, agri-SMEs, and cooperatives) or as a second-tier lender (refinancing through financial intermediaries such as rural banks, microfinance institutions, or cooperative networks). This distinction affects not only data availability and collection modalities but also the level of the results chain at which reporting is credible and defensible.

First-Tier Agri-PDBs

First-tier institutions maintain a direct relationship with final beneficiaries and therefore have the closest line of sight to outcome-level data. All 15 KPIs in the core set are in principle applicable, and first-tier PDBs are best positioned to collect primary data on income changes (E3), food security and nutrition outcomes (S4), training participation (S5), and on-farm environmental practices (ENV1–ENV4). Data collection can be integrated into loan origination and monitoring workflows without relying on intermediary reporting chains. First-tier PDBs should aim to track at minimum the full set of output indicators (E1, E2, E4, E5, S1, S2, S3) directly from administrative records, and to assess outcome-level indicators (E3, S4, ENV2, ENV3) through periodic sampling surveys or client interviews covering a representative sub-portfolio. Ex-ante scoring of impact expectations at appraisal (similar to IFC's AIMM approach) is more feasible for first-tier institutions because the transaction-level data required is directly accessible.

Second-Tier Agri-PDBs

Second-tier institutions depend on partner financial institutions (PFIs) for data flowing from the final beneficiary level. This intermediation constraint reduces direct observability of outcomes but does not eliminate the obligation to report on them. The recommended approach for second-tier Agri-PDBs is tiered reporting: require PFIs to report a small number of standardized output indicators (clients reached disaggregated by type, gender, and geography; jobs created; first-time borrowers) as contractual reporting fields in on-lending agreements; supplement this with parametric or proxy-based estimation for outcome-level KPIs (income gains, GHG reductions, hectares under sustainable practices), calibrated to loan types, sector, and regional context, as demonstrated by FIRA. Portfolio-level aggregation of these estimates, while acknowledged as approximations, provides a more credible and operationally sustainable approach than attempting full bottom-up data collection across thousands of small, intermediated transactions. Second-tier PDBs

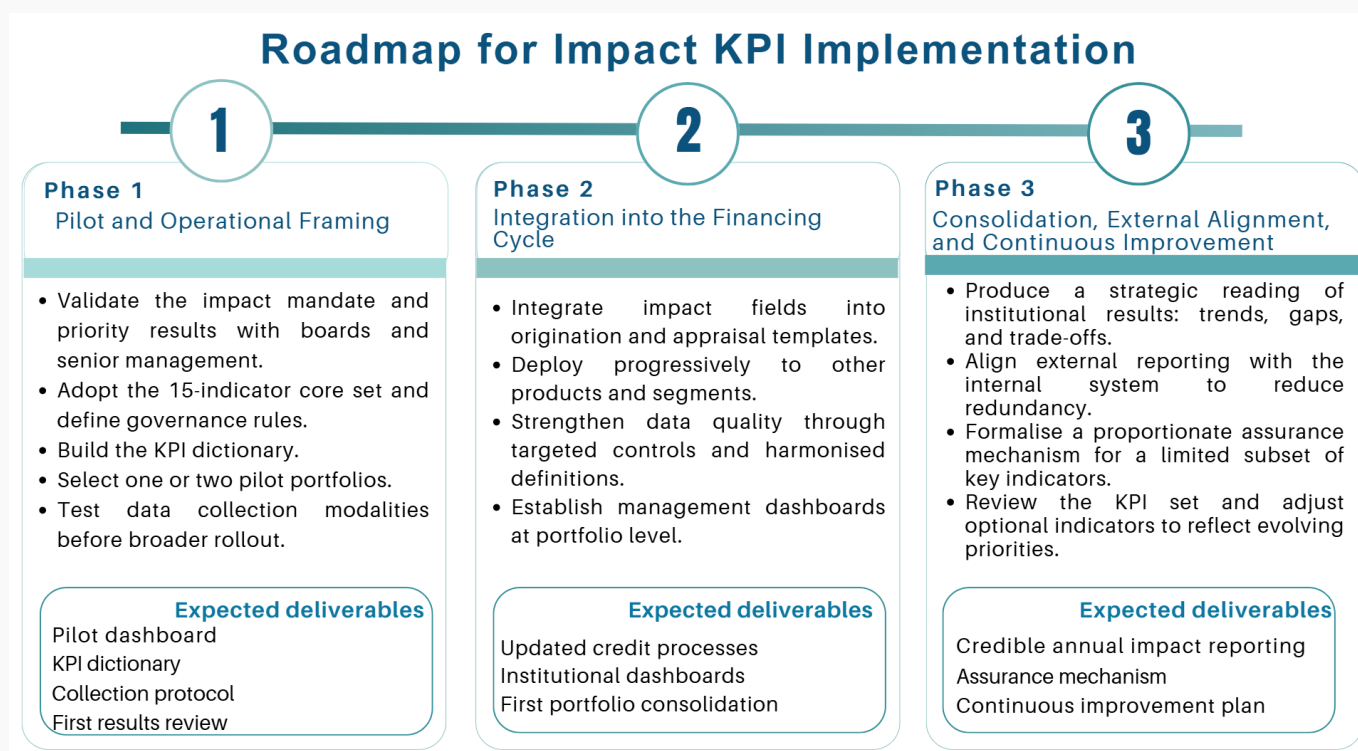
should also invest in periodic sample evaluations at the final beneficiary level, conducted either directly or through donor-supported evaluation facilities, to validate and recalibrate proxy assumptions over time. The eco.business Fund model, combining partner-reported data with third-party impact coefficients and external verification, provides a concrete operational benchmark for this tier.

Summary Guidance by Lending Tier

KPI Dimension	First-Tier PDB (Direct Lending)	Second-Tier PDB (Intermediated Lending)
Economic (E1–E5)	<i>All 5 applicable. E1–E2, E4–E5 from admin records; E3 (income/productivity) via sampling surveys or client reporting at loan monitoring.</i>	<i>E1–E2, E4–E5 via standardized PFI reporting templates; E3 via parametric models calibrated by loan type and sector, validated by periodic sample surveys.</i>
Social (S1–S5)	<i>All 5 applicable. S1–S3 from client onboarding records; S4 (food security) via beneficiary surveys; S5 (training) from program attendance records.</i>	<i>S1–S3 via mandatory disaggregated fields in PFI reporting; S4–S5 via targeted sample evaluations or reporting from partner NGOs and extension services.</i>
Environmental (ENV1–ENV5)	<i>All 5 applicable. ENV3–ENV4 via field monitoring or client self-reporting; ENV2 (GHG) via IPCC-aligned emission factors applied to financed activities; ENV1 and ENV5 for relevant green product portfolios.</i>	<i>ENV2–ENV4 via third-party impact coefficients and PFI-reported activity data (similar to eco.business Fund model); ENV1 and ENV5 reportable for thematic green finance lines with sufficient PFI capacity; external verification recommended for bond-linked portfolios.</i>
Preferred data approach	<i>Primary data from MIS, complemented by sampling surveys and digital field tools. Ex-ante impact scoring at appraisal feasible.</i>	<i>Standardized PFI reporting templates + parametric/proxy estimation for outcome KPIs. Portfolio-level aggregation with documented assumptions. Periodic sample evaluations to recalibrate proxies.</i>
Reference benchmark	<i>AFC (Kenya), UDB (Uganda)</i>	<i>FIRA (Mexico), eco.business Fund, CSAF harmonized metrics</i>

10. Implementation Roadmap

The implementation of impact KPIs within Agri-PDBs requires a structured, progressive, and institutionally anchored approach. Beyond a purely technical exercise, it represents a strategic transformation whereby impact becomes an integral component of decision-making processes, alongside financial performance and risk management. The following roadmap outlines a three-phase approach designed to ensure both operational feasibility and long-term sustainability. It reflects good practices observed across institutions and balances methodological rigor with practical implementation constraints.



Conclusion & recommendations

Public Development Banks (PDBs) operating in agriculture are increasingly expected to demonstrate not only how much they finance, but what changes their financing enables in terms of economic transformation, social inclusion, and environmental sustainability. Impact KPIs are no longer a compliance exercise driven by external reporting requirements, they are becoming a core instrument for strategic steering, accountability, and credibility.

However, experience across PDBs clearly indicates that the challenge is not the absence of frameworks or indicators, but rather the difficulty of implementing impact measurement systems that are credible, operationally feasible, transparent, and genuinely useful for decision-making. Overly complex frameworks risk remaining disconnected from core banking processes, while overly simplistic indicators fail to capture development additionality.

A credible KPI framework for PDBs must therefore strike a careful balance: it should be aligned with international standards, robust enough to satisfy development partners, yet sufficiently pragmatic to reflect the realities of agricultural finance, including smallholder outreach, intermediate lending, data constraints, and institutional capacity.

The central conclusion of this analysis is that impact measurement should be treated as a management system, not a reporting product. When properly designed and embedded, impact KPIs strengthen credit quality, improve portfolio steering, enhance policy dialogue, and reinforces the role of PDBs as key actors in the transformation of food systems.

Based on these findings, Public Development Banks financing agriculture and seeking to implement a credible and operational impact KPI framework should move beyond ad-hoc reporting and adopt a structured, institution-wide approach. The following recommendations provide practical guidance to anchor impact measurement within PDB mandates, strategies, and operational processes, while remaining aligned with international standards and adapted to the specific realities of agricultural finance.

Anchor impact KPIs in the public mandate and strategic objectives

PDBs should begin by clearly articulating what “impact” means in relation to their specific mandate, national policies, and development objectives. Impact KPIs should not be generic or donor-driven but explicitly linked to the bank’s role in promoting inclusive growth, food security, resilience, and sustainability.

This requires translating broad policy goals into a limited number of outcome-oriented priorities that can realistically be influenced through financing activities. Such clarity provides the foundation for credibility and avoids fragmented or opportunistic indicator selection.

Prioritize a small, robust set of core outcomes KPIs

Rather than attempting to measure everything at once, PDBs should prioritize a limited core set of impact KPIs that are clearly defined, consistently applied, and comparable over time and, where relevant, across institutions. These core indicators should focus primarily on outcomes rather than activities alone and should collectively cover economic, social, and environmental dimensions. As measurement systems and institutional capacities mature, this core set can be progressively expanded. To support consistency and transparency, a well-defined KPI dictionary, documenting indicator definitions, data sources, methodologies, and known limitations, is essential to ensure shared understanding across teams and stakeholders.

Embed impact KPIs into the credit and portfolio management cycle

Impact measurement becomes decision-useful only when it is integrated into existing banking processes rather than operating as a parallel reporting stream. PDBs should therefore progressively embed impact considerations into strategic planning and portfolio target setting, incorporate ex-ante impact expectations within credit appraisal processes, and reflect impact performance in the ongoing monitoring and supervision of financed operations. At the portfolio level, impact indicators should be integrated into regular portfolio reviews and management dashboards. This integration enables senior management to use impact information to adjust product design, refine sectoral priorities, and calibrate risk appetite, thereby reinforcing the link between financial performance and development outcomes.

Adopt a pragmatic and tiered data strategy

Given the structural challenges of agricultural finance, particularly smallholder outreach and intermediate lending, PDBs should adopt a tiered and pragmatic approach to data collection. This approach should rely primarily on existing administrative and management information systems to track outreach indicators, require proportionate and feasible reporting from intermediaries and partners, and use sampling techniques, proxy indicators, and targeted surveys to assess outcomes where direct measurement is not possible. Over time, and where capacity allows, digital solutions and geospatial tools can be progressively integrated to strengthen data quality. The emphasis should remain on

data that is credible and operationally usable rather than exhaustive. In this context, transparency regarding data limitations and underlying assumptions is preferable to a level of precision that cannot be consistently sustained.

Establish clear governance and accountability for impact measurement

Credible impact KPI frameworks require institutional ownership. PDBs should define clear roles and responsibilities across senior management, credit teams, impact or M&E units, IT, and internal audit functions. Governance arrangements should ensure that impact data is reviewed, validated, and discussed at appropriate decision-making levels.

Importantly, impact measurement should be positioned as a collective institutional responsibility, not solely the task of a specialized unit

Implement impact KPIs through phased pilots and learning cycles

A phased implementation approach allows PDBs to test methodologies, identify bottlenecks, and build internal capacity before full-scale rollout. Pilot phases should focus on selected products, regions, or client segments, with structured learning and adjustment built into the process.

This iterative approach enhances feasibility and reduces the risk of staff resistance, while reinforcing a culture of learning and continuous improvement.

Strengthen transparency, verification, and dialogue with partners

Finally, PDBs should invest in transparent reporting and verification mechanisms that enhance trust with development partners and stakeholders. This requires clearly documenting methodologies and underlying assumptions, conducting periodic internal quality checks and audits, and, where appropriate, seeking selective external verification for a limited set of key indicators.

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Annexes

Annex A

Core Concepts

Sustainable agriculture

A farming approach that meets current food and textile needs without compromising the ability of future generations to meet their own needs.

It emphasizes conserving natural resources, maintaining ecosystem services like soil regeneration and nutrient cycling, reducing the use of nonrenewable inputs, and promoting environmental quality.

This approach also sustains the economic viability of farms and improves the quality of life for farmers and society.

Key principles include integrating ecological processes, minimizing environmental impact, supporting farmer self-reliance, and fostering collaboration to solve agricultural challenges. [2]

Agroecology

Agroecology is a holistic approach to agriculture that applies ecological principles to the design and management of sustainable agro-ecosystems. It is described as “the application of ecological concepts and principles to the design and management of sustainable agroecosystems.”

Agroecology integrates scientific knowledge with farmers’ traditional knowledge, aiming to enhance productivity, resilience, biodiversity, and social equity in farming systems.

Biodiversity

Biodiversity (biological diversity) is the variety of life on Earth in all its forms, including the diversity of species, genes, and ecosystems. It represents “the collective term for the variety of life on Earth in all its forms” and underpins ecosystem services (such as pollination, soil fertility, water purification) that are crucial for agriculture and human well-being. [6]

Smallholder agriculture

It refers to farming systems where individuals or families cultivate small plots of land, typically ranging from less than one hectare up to about ten hectares.

These small-scale farmers primarily rely on family labor and traditional farming methods. Their production is often focused on both providing food for their own households and generating income from surplus sales. Smallholder farmers play a crucial role in local food security and rural economy. [7]

Water management

The strategic planning, allocation, and conservation of water resources to meet the irrigation needs of crops while maximizing efficiency and sustainability.

It involves various techniques and technologies such as drip and sprinkler irrigation, precision irrigation, irrigation scheduling, and rainwater harvesting to optimize water use, reduce wastage, and maintain soil and crop health.

Effective water management not only supports crop productivity and food security but also helps conserve water resources and protect environmental quality.

It takes into account both water quantity and quality and aims to balance the water needs of crops with sustainable practices for long-term agricultural success.

This is especially critical given agriculture's significant share in global freshwater use and the growing challenges from climate change and resource scarcity. [10]

Sustainable land use

The management and utilization of land resources in a way that meets current human needs while preserving the environment and natural resources for future generations. It balances economic, social, and environmental considerations to maintain ecosystem health, biodiversity, soil fertility, and water quality.

Sustainable land use practices include methods such as crop rotation, agroforestry, no-till farming, and regenerative agriculture that reduce soil erosion, improve soil carbon content, and support biodiversity.

This approach helps optimize agricultural productivity without degrading the land, thereby promoting long-term resilience and sustainability of farming systems and natural landscapes. [12]

Actors and Mechanisms

Public Development Bank (PDB)

A Public Development Bank (PDB) is a government-supported financial institution, fully or partially state-owned, with a mandate to advance public policy objectives and finance development priorities. Unlike commercial banks, PDBs are created to address market

gaps and support projects with broader social, economic, or environmental benefits. PDBs may be sector-specific, such as institutions dedicated to agriculture, or universal, operating across several sectors while retaining a development mandate. They may lend directly to final beneficiaries or indirectly through partner financial institutions.

Agricultural financing

Agricultural financing refers to financial and non-financial support provided to agricultural and rural actors across production, processing, marketing, and related value-chain activities. It includes credit, guarantees, refinancing, concessional finance, and blended finance, as well as technical assistance, advisory support, training, and financial education that strengthen the capacity of farmers, agri-SMEs, and rural enterprises to use finance effectively and sustainably. This broader understanding is important for Agri-PDBs, since development impact often depends not only on access to finance, but also on the capabilities of beneficiaries and intermediaries.

Annex B

INTERVIEW GUIDE, AGRI-PDBs IMPACT KPI MISSION

OBJECTIVE

This guide aims to understand how Public Development Banks (PDBs) involved in agricultural financing define and manage Key Performance Indicators (KPIs) related to economic, social, and environmental impact. It also aims to identify existing good practices, challenges faced, and capacity-building needs to improve the management of these indicators. Your contribution will be essential to identify the key levers and adjustments required to propose a common impact indicator framework and help enhance the effectiveness and impact of agricultural financing.

A. PROFILE AND GOVERNANCE OF THE BANK

1. What is the bank's main mission in agricultural and rural financing?
2. What proportion of the portfolio is dedicated to agriculture, sustainability, or climate-related activities?
3. How does your bank integrate impact measurement into its organizational structure and strategy? Do you observe a commitment from senior management or the board of directors to use impact indicators in decision-making?
4. Does the bank have an impact monitoring or ESG unit?
5. Do you have formal internal policies or guidelines regarding the use of impact indicators (e.g., requirement to include impact KPIs in project appraisal or reporting)?
6. How would you describe your institution's level of preparedness or maturity regarding impact monitoring? Early stage, intermediate, or fully integrated? What motivates this assessment?

B. EXISTING IMPACT INDICATOR SYSTEM

7. What indicators or reference frameworks do you currently use?
8. Do these indicators cover the three dimensions: economic, social, and environmental?

9. Are the indicators standardized (IRIS+, SDGs) or specific to the bank or aligned with a national development framework?

10. Do you have a consolidated monitoring dashboard?

11. Have you developed an internal taxonomy or specific list of indicators tailored to agricultural financing? If yes, what are they and what motivated it (regulatory requirements, strategic priorities, local context, etc.)?

C. ECONOMIC DIMENSION

12. What economic impact indicators do you track (producer income, risk cost, leverage/additionality, etc.)?

13. How do you measure economic outcomes for beneficiaries (jobs created, incomes, productivity, Etc.)?

14. What are your agricultural portfolio efficiency indicators (repayment rate, unit cost per job created, etc.)?

D. SOCIAL DIMENSION

15. How do you integrate the inclusion dimension (women, youth, rural areas, first-time borrowers)?

16. Which indicators do you track: number of beneficiaries, jobs created, training, satisfaction, food security?

17. Do you have indicators related to diversity, gender, or internal social governance?

E. ENVIRONMENTAL DIMENSION

18. Do you have an environmental policy (ESMS, exclusion list, IFC standards)? Do you track environmental impact indicators?

19. Do you monitor quantitative indicators such as the area applying sustainable practices (agroecology, biodiversity, etc.), the tons of CO₂ avoided, the volume of water saved, or the reduction of chemical inputs?

20. Have you implemented indicators related to investments in water management, such as collection systems, hillside lakes, or other similar infrastructures?

21. How do you integrate climate risks into credit decisions?

22. Do you have “green” or sustainability-linked financial products?

F. METHODOLOGICAL APPROACH AND TOOLS

23. How do you collect and manage data related to your agricultural impact indicators?

24. Is your measurement approach systematic (digital) or manual (self-reported)?

25. Do you use proxy-data-based indicators? How do you collect them?

26. Do you use an ex-ante impact scoring tool (similar to DELTA or Aceli Africa)?

27. Are the data verified or audited? What measures ensure data quality and reliability (data verification procedures, standard methodologies, triangulation)?

28. How do impact indicators influence strategic decisions?

G. CHALLENGES, LESSONS LEARNED AND FUTURE PERSPECTIVES

29. What major difficulties (internal or external) have you encountered in implementing an agricultural impact monitoring system? How have you addressed them?

30. What lessons learned or good practices would you recommend for setting and monitoring impact indicators (economic, social, environmental)?

31. How do you ensure continuous learning and improvement of your impact measurement practices?

32. How and to whom do you communicate impact results? (Do you include them in the public annual report, sustainability report, reports to government or donors?)

33. What expectations or recommendations do you have for the Agri-PDBs platform (capacity building, digital tools, exchange workshops, common framework)?

Annex C

Interview Guide – Sustainability & Impact Management Experts

Interview Context

As part of developing a harmonized impact indicator framework for financial institutions involved in agricultural finance and sustainable development, we are conducting a series of interviews with international sustainability experts. The objective is to understand the approaches, practices, and lessons learned in implementing impact management systems within banks and financial institutions. These interviews will help identify success factors, challenges, and the most relevant tools and methodologies to guide banks toward an effective, meaningful, and sustainable integration of impact exercises.

Interview Questions

A. Importance and Added Value

1. Why is it essential for a financial institution to integrate impact assessment into its strategy and operations?
2. What concrete benefits do banks obtain from implementing impact indicators?
3. How does impact management create value for clients, donors, and the broader financial ecosystem?

B. Integration Process

4. What are the key steps in designing and implementing an impact management system within a financial institution?
5. How can banks select and prioritize impact KPIs (economic, social, environmental)?
6. Which standards or frameworks do you recommend to guide impact assessment (IRIS+, IMP, OPIM, IFC AIMM, taxonomies, SDGs)?
7. Which digital tools or MIS solutions facilitate impact data collection, analysis, and reporting?
8. How can impact be concretely integrated into internal processes such as the credit cycle, risk management, strategic planning, and reporting?

C. Good Practices & Success Factors

9. What organizational prerequisites are necessary for successful integration (governance, human resources, training, data availability)?
10. What good practices or inspiring models have you observed in institutions that successfully implemented impact systems?
11. Which technical and soft skills should be strengthened as a priority within financial institutions?
12. Which incentive mechanisms effectively encourage internal ownership and use of impact management?

D. Challenges and Solutions

13. What major challenges do institutions face when implementing an impact management system?
14. What practical or corrective solutions do you recommend to overcome these obstacles?
15. What key recommendations would you provide to ensure the sustainability, quality, and strategic use of the impact system within financial institutions?

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**Agri-PDB
Platform**

Agricultural Public Development Bank Coalition

IMPACT KPI'S FOR AGRI-PDB FINANCING AGRICULTURE