
**Intergovernmental Working Group of Experts on
International
Standards of Accounting and Reporting
(ISAR)**

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Room XVII, Palais des Nations, Geneva

Thursday, 25 October 2018
Morning Session

Agenda Item 3.
**Enhancing comparability of sustainability reporting:
Selection of core indicators for entity reporting on the
contribution towards the attainment of the Sustainable
Development Goals**

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BlueOrchard
Impact Investment Managers



Enhancing comparability of sustainability reporting – ISAR 35

Geneva

October 25, 2018



**BlueOrchard Finance
Company Overview**



**BlueOrchard's Impact Tools for
Private and Public Markets**



**BlueOrchard and the Guidance on Core Indicators for
Sustainability Reporting**



**Common Challenges faced by BlueOrchard Investees
related to Sustainable Reporting**

1. BlueOrchard – Leader in Emerging Markets Investing and Impact

Investing for Empowerment



BlueOrchard at a glance

Leading EM impact investment manager with a **20-year track record**, founded by the initiative of the United Nations
















Focused on **credit, private equity assets** in emerging markets

Experienced international investment team having **disbursed in excess of USD 5bn** since inception, **reaching 35 million people** in over **80 countries**

Rigorous investment process with emphasis on **fundamental bottom up analysis** and **social impact due diligence**

Licensed Asset Manager by FINMA and authorized **UCITS and AIF manager** by CSSF

1. BlueOrchard has Managed 14 Funds Since Inception. 9 are Blended Finance Funds. Today, 5 out of the 8 Active Funds are Blended Finance Mandates

<p>2001</p> <p>BlueOrchard Microfinance Fund (BOMF) First ever commercial microfinance fund</p> 	<p>2004</p> <p>BlueOrchard Microfinance Securities 1 (BOMSI) Senior debt, 6 years</p> 	<p>2005</p> <p>Saint-Honoré Microfinance Fund Senior debt, hard currency (merged with BOMF 2011)</p> 	<p>2006</p> <p>BBVA Codespa Microfinanzas Senior debt, Latam, some LCY</p> 
<p>2006</p> <p>BlueOrchard Loans for Development 2006 (BOLD 2006) CDO Senior debt, 5 years</p> 	<p>2007</p> <p>BlueOrchard Loans for Development 2007 (BOLD 2007) CDO Senior debt, 5 years, FT award</p> 	<p>2009</p> <p>Microfinance Enhancement Facility (MEF) Sr. Debt "liquidity fund"</p> 	<p>2010</p> <p>Microfinance Growth Fund (MiGroF) The "Obama" fund for Latam</p> 
<p>2013</p> <p>Microfinance Initiative for Asia (MIFA) – Debt Fund Fund for Asia</p> 	<p>2014</p> <p>Regional Education Finance Fund for Africa (REFFA) Fund for Africa</p> 	<p>2015</p> <p>InsuResilience Investment Fund (IIF) Debt/Equity Climate fund</p> 	<p>2016</p> <p>Japan ASEAN Women Empowerment Fund (JAWEF) Fund for Women in Asia</p> 
<p>2017</p> <p>EMF Microfinance Fund First microfinance fund in Liechtenstein</p> 	<p>2018</p> <p>Emerging Markets SDG Impact Bond Fund First UCITS compliant EM impact bond fund</p> 	<p>2019</p> <p>R20 Subnational Climate Solutions Fund (R20 SnCF)</p> 	

2. Private Markets: BlueOrchard's Proprietary Social Performance Assessment Tool for Financial Inclusion



- To systematically assess the social performance of each investee and identify potential for improvement, BlueOrchard has developed a proprietary tool called **Social Performance Impact Reporting & Intelligence Tool (SPIRIT)**
- SPIRIT assesses 6 key areas of social impact, aligned with the Universal Standards of Social Performance Management, plus a seventh one on environment.

2. Bond SPIRIT defines BlueOrchard concrete action towards the impact assessment of public debt issuers



3. There is an Overlap Between BlueOrchard’s SPIRIT and the GCI

<ul style="list-style-type: none"> • To what extent does the company meet otherwise underserved clientele by providing a service that is not provided by many other market participants (i.e. Focus on value added; additionality)? • Does the investee have specific "green" financial products? • Does the company routinely make donations to community developmental projects? <p style="text-align: right;">Economic</p>	<ul style="list-style-type: none"> • Does the investee define processes and/or implement mechanisms to reduce paper, water, and energy consumption, reduce/treat waste, and/or reduce carbon emissions? • Does the investee have a written environmental policy? <p style="text-align: right;">Environmental</p>	<ul style="list-style-type: none"> • Does the Investee actively follow an anti-discrimination policy in hiring? • Does staff receive adequate training? • Is the compensation package in line with other companies in the market? • Does the company offer non-financial services such as financial education, business development, health services, women empowerment, etc.? <p style="text-align: right;">Social</p>	<ul style="list-style-type: none"> • Does the institution calculate the difference between the average annual compensation of its top level executives (e.g., CEO/Managing Director, CFO) and its field employees (loan officers)? • Are social performance issues discussed during Board Meetings? If yes, are these reported transparently in the Board Minutes? <p style="text-align: right;">Institutional</p>
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4. Common Challenges Faced by Investees Related to Sustainable Reporting

The Guidance on Core Indicators represents an important achievement towards attaining enhanced comparability of sustainability reporting ...

BUT

- The **market players are still very fragment** across the target markets (i.e. type of investees and data)
- The **resources** available and capacity to systematically collect this information may not be sufficient
- The **MIS** at investee level are not always as advanced as one would wish them to be (lack of aggregated information, poor quality and limited amount of data collected, long time lag between collection and reporting, etc.)