



International
Labour
Organization



Social
Finance

► People at the Core: “S (Social)” in ESG for guarantees

EMGN Spring Academy

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International Labour Organization

27 May 2025



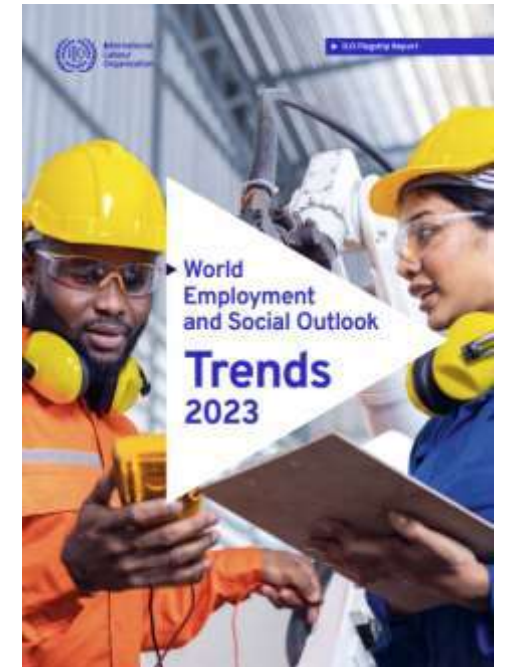
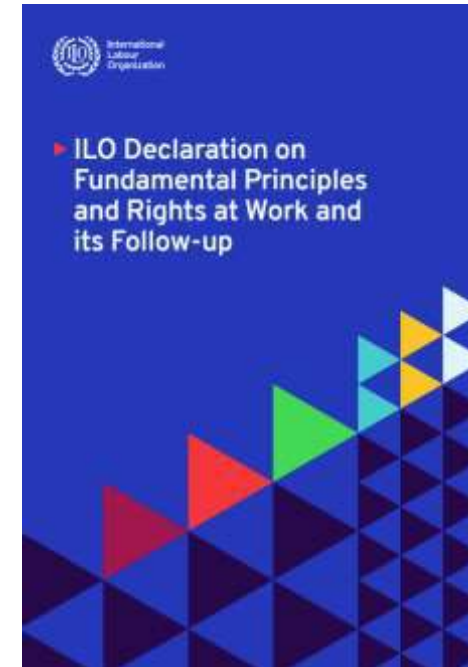
▶ Agenda

- ▶ The ILO and International Labour Standards
- ▶ The ILO's Think Impact Toolkit
- ▶ Case studies
- ▶ Q&A

▶ ILO and International Labour Standards

▶ The International Labour Organization

- ▶ UN agency founded in 1919
- ▶ 187 member States
- ▶ Promotes **social justice** through its **decent work agenda** which includes realizing rights at work, promoting employment, enhancing social protection and strengthening social dialogue.
- ▶ ILO's work:
 - International Labour Standards
 - Knowledge and research
 - Technical assistance and training



International Labour Standards

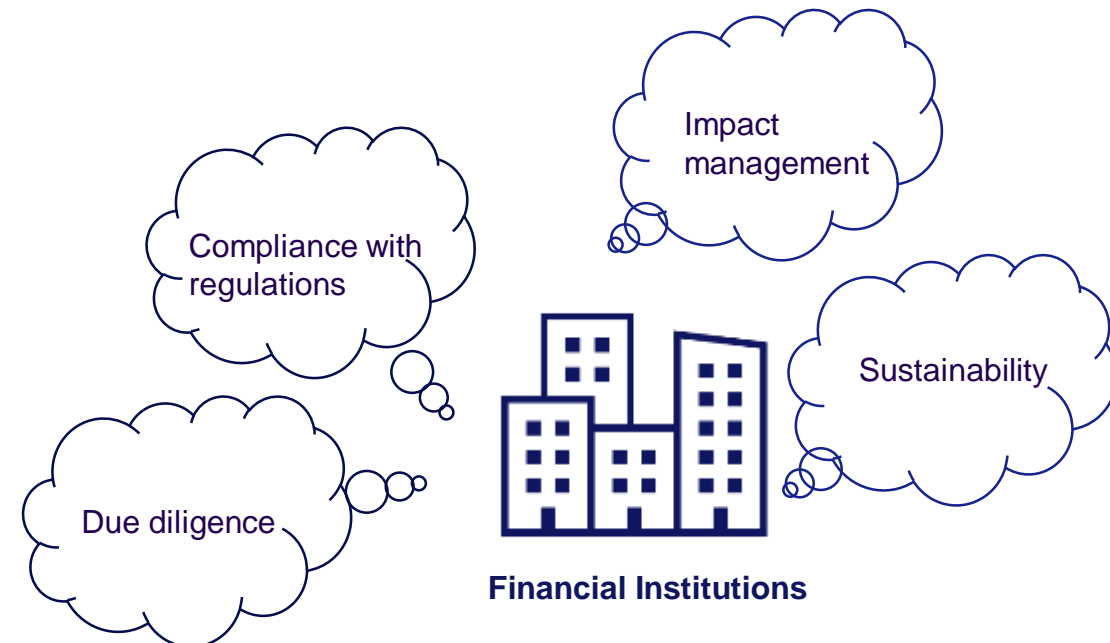


...and more.



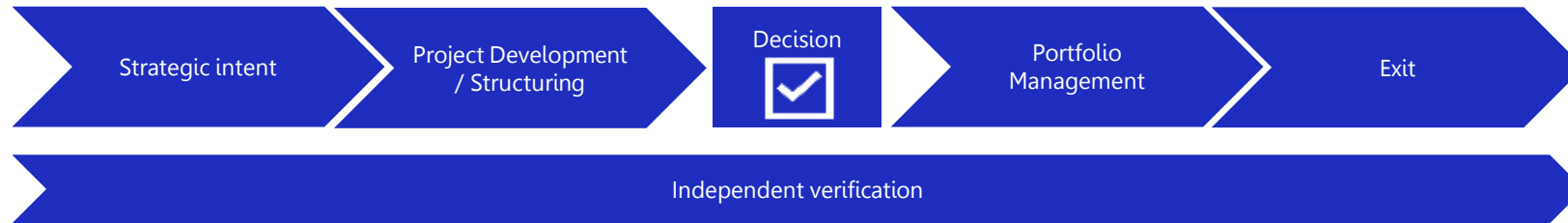
▶ ILO's engagement with guarantee providers on impact management, with a focus on the world of work

- ▶ Dedicated program working with the **financial sector**, enabling it to contribute to the **world of work**
- ▶ 30+ years working with **financial inclusion, insurance, banking and investing**
- ▶ Working with stakeholders:
 - ▶ Enhancing policies and procedures
 - ▶ Supporting product design
 - ▶ Capacity building
 - ▶ Research
- ▶ Example of work with guarantees: collaboration with Sida



► The ILO's Think Impact Toolkit

Impact management system



Different types of tools

- ▶ Terms of Reference for financial systems analyses
- ▶ Questionnaires for assessing specific financial institutions for impact alignment and potential
- ▶ A catalogue of impact indicators (focused on inclusive economic development)
- ▶ A theory of change → from guarantees to development impact
- ▶ Terms of Reference for baseline/endline studies

Access the toolkit here: [The ILO's Think Impact Toolkit for guarantee instruments](#)

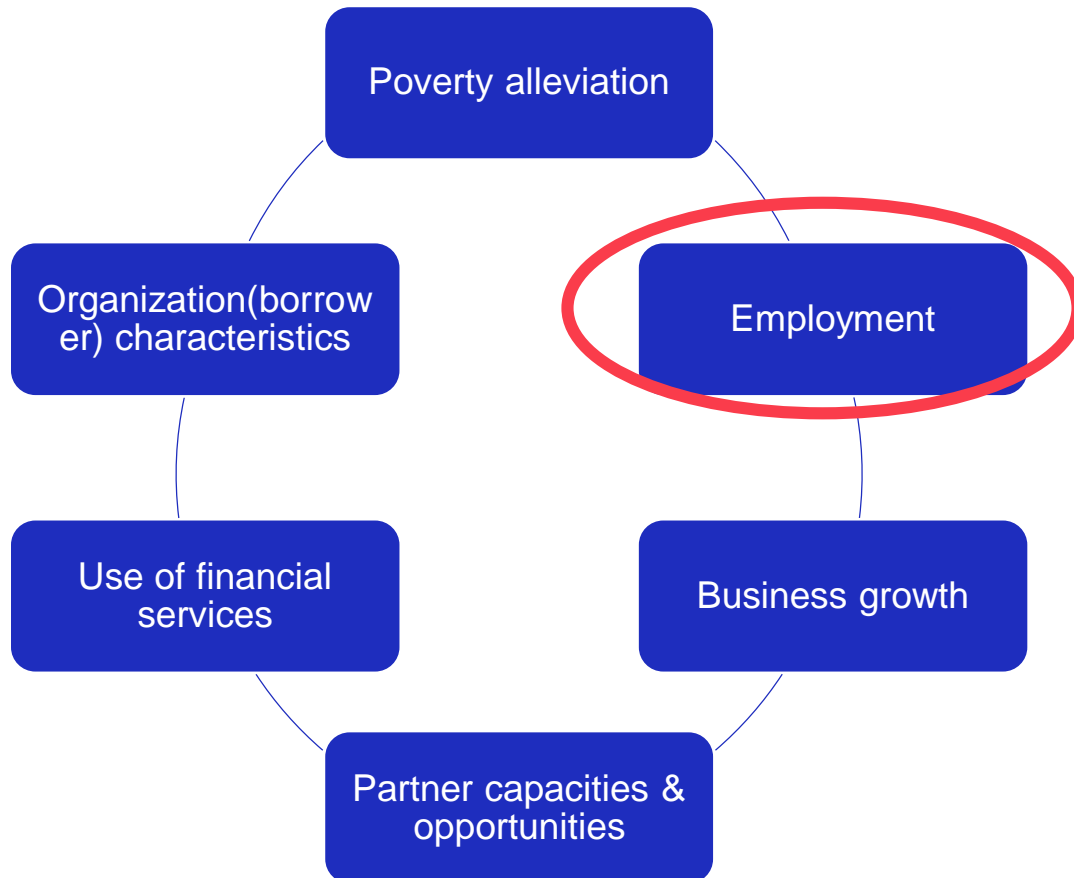
¹ based on www.impactprinciples.org





Tool: Theory of Change and Indicators

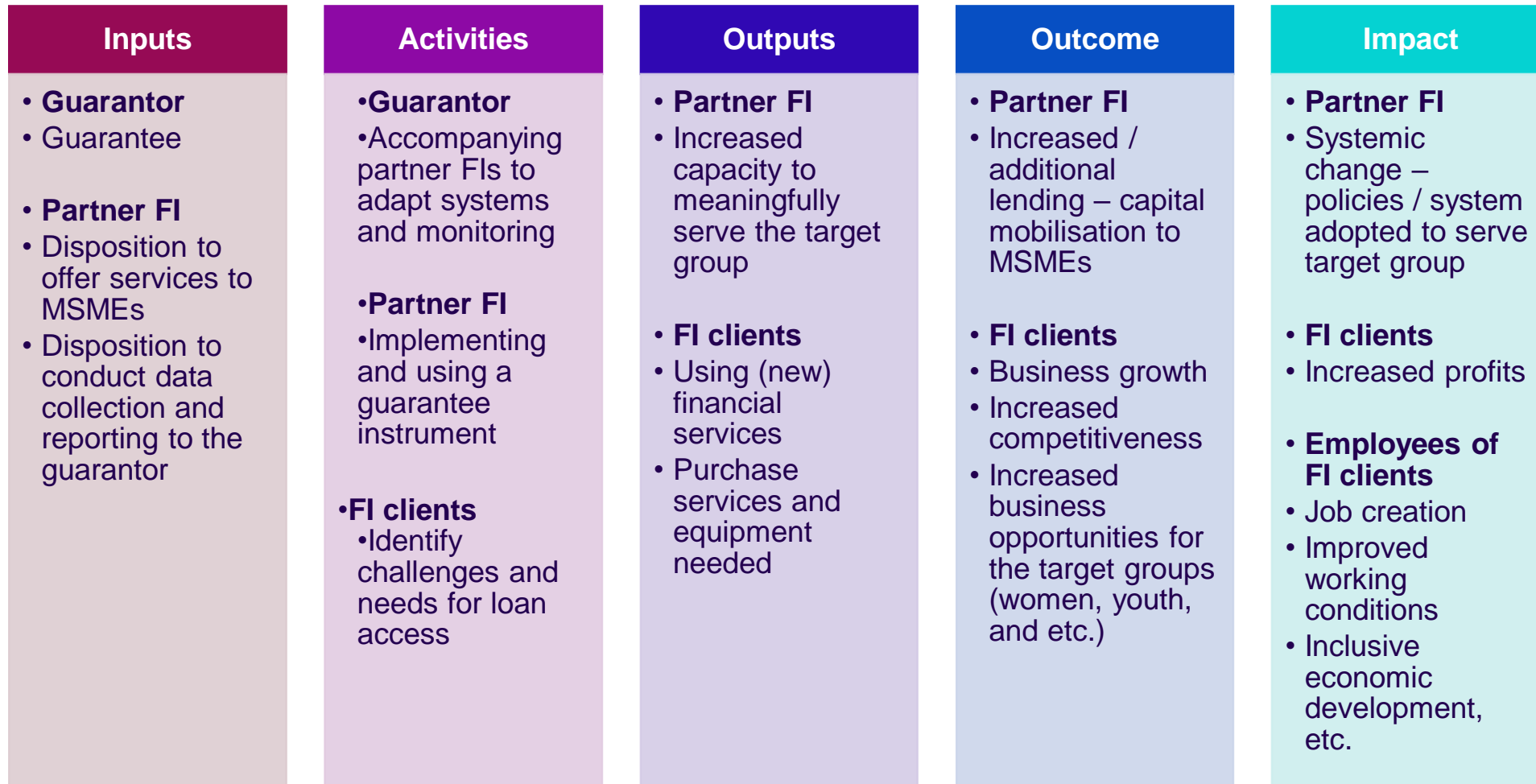
Groups of indicators in the tool

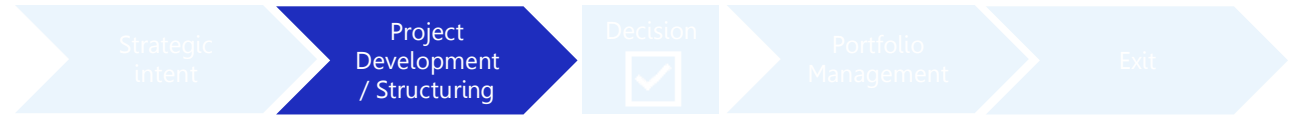


- The tool contains a **generic Theory of Change (ToC)** for guarantees for inclusive economic development, to be **adapted** to the **specific guarantee** being considered
- The ToC is the basis for the subsequent steps of selecting relevant development indicators to be tracked
- Excel-based tool contains a list of indicators to be selected as applicable and in agreement with the partner financial institution
- Indicators can be part of the guarantee agreement for self-reporting by the financial institution or to inform additional studies



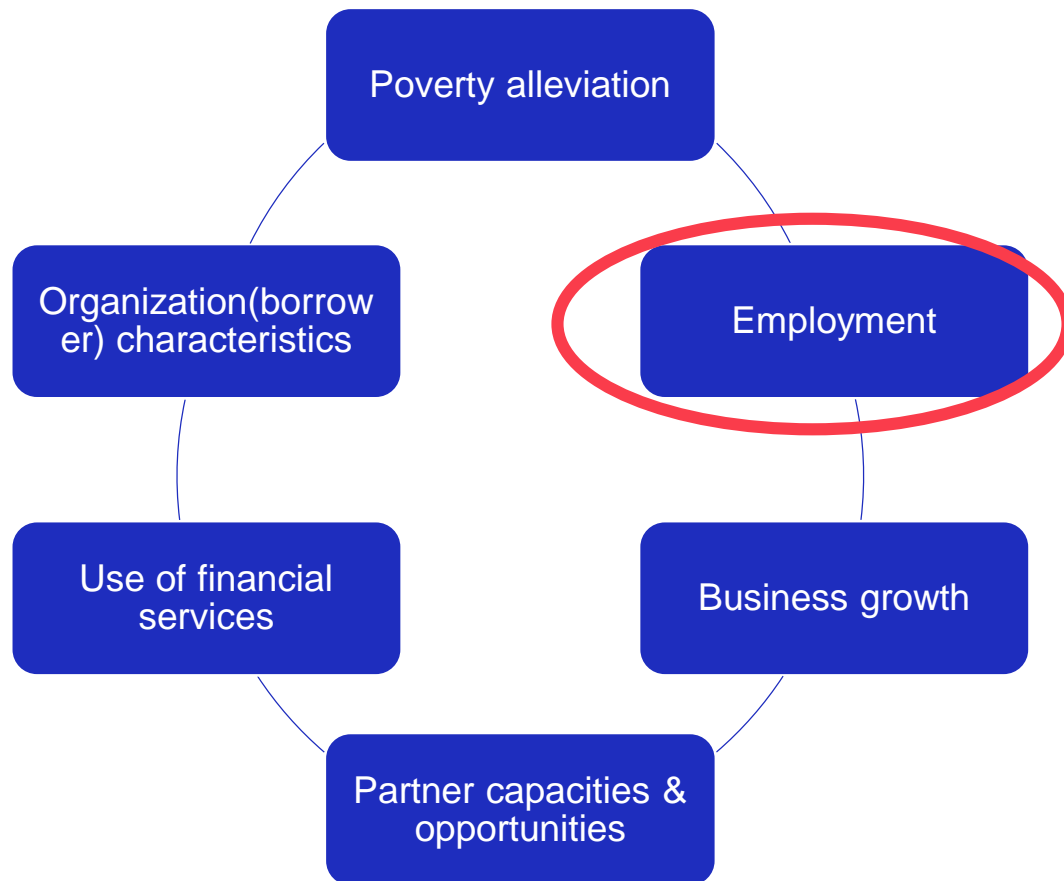
Tool: Theory of Change





Tool: Theory of Change and Indicators

Groups of indicators in the tool



Three dimensions when considering jobs impact

- ▶ **Quantity**, that refers to the number of jobs;
- ▶ **Quality**, that looks at the quality of those jobs; and
- ▶ **Inclusivity**, that refers to who has access to those jobs.

For measuring **job quality**, the tool focuses on

- ▶ The labour force composition
- ▶ Rights and respect at work
- ▶ Compensation in terms of wages and benefits
- ▶ Skills development
- ▶ Productivity



Tool: Employment Indicators

Result Area		Example of indicators	Disaggregation
Labour force composition / quantity		Number of employees Full time equivalent employees	By gender By contract type
Rights and respect	Worker's voice	Collective bargaining agreements Grievance systems	
	Non-discrimination	Employee protection policies	
	Health and safety at work	Turnover Occupational incidents	By gender
Compensation	Wages	Lowest wage paid to employees	By gender By contract type
	Social security	Employment benefits	
Skills development		Employee training	

► Case studies

Examples of findings – case study conducted in Bosnia and Herzegovina

► *How did the clients perform in the period?*

- Loans were used for both **working capital** as well for **fixed assets**, the latter which could indicate a **potential increase in the clients' capacity** to provide collateral in the future (65 of 133 loans went to fixed assets).

- **Business activity** indicators:



+19%

Growth in revenues

+20%

Growth in exports

+21%

Growth in assets

37%

Clients reporting accessing new markets

► *Did employees benefit from these improvements?*



+24%

Increase in workforce

+326

Jobs created

+20%

Growth on average wages



+39%

Increase in number women workers

+47%

Growth on average wages for women

Challenges

- ▶ Lack of an impact measurement management framework
- ▶ Resource Constraints
- ▶ Data collection challenges via online survey, phone, interviews, focus group discussions, and publicly available resources
- ▶ Data quality issues (no audited financial statements, dependence on self-reported data)
- ▶ Sensitivity or complexity of some questions
- ▶ Establishing causality and control groups





Q&A



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