

FSD Terminologies

Terminology	DEZA	Source
Access to Finance	Interventions increasing the availability and/or utilization of financial services by individuals or by firms. Includes a wide range of services from deposit accounts, insurance, transfers, to short-term credit, longer-term debt such as mortgages or equity such as venture capital, interventions would 1)create additional supply of financial services and / or 2) increase the ability to qualify for or access financial services (such as through digital media) and/or 3) increase the quality of the financial services system.	http://www.enterprise-development.org/wp-content/uploads/DCEDIndicatorHarmonizationApr16.pdf
Blended Finance	An approach to development finance that employs the “strategic use of development finance and philanthropic funds to mobilize private capital flows to emerging and frontier markets” and is characterized by three characteristics: <ul style="list-style-type: none"> – Leverage: Use of development finance and philanthropic funds to attract private capital. – Impact: Investments that drive social, environmental and economic progress. – Returns: Returns for private investors in line with market expectations based on perceived risk. 	http://www3.weforum.org/docs/WEF_Blended_Finance_A_Primer_Development_Finance_Philanthropic_Funders_report_2015.pdf
Business Development Services	Increasing access to and availability of services that improve the performance of the enterprise, its access to markets, and its ability to compete. The definition of "business development services includes an array of business services such as training, consultancy, marketing, information, technology development and transfer, business linkage promotion, both strategic medium to long term issues that improve performance and operational day-to-day issues. BDS are designed to serve individual businesses, as opposed to the larger business community.	http://www.enterprise-development.org/wp-content/uploads/DCEDIndicatorHarmonizationApr16.pdf
Business Environment Reform	BER is Business Environment Reform, a macro-level PSD approach aiming to create a more business-friendly "environment" or market in an economy: less cumbersome regulation, freer trade, better information flows, and improved access to finance. BER promotes this improved environment principally through government action in partnership with the private sector and NGOs.	http://www.enterprise-development.org/wp-content/uploads/DCEDIndicatorHarmonizationApr16.pdf

<p>Business incubator</p>	<p>Place where newly created firms are concentrated in a limited space. Its aim is to improve the chance of growth and rate of survival of these firms by providing them with a modular building with common facilities (telefax, computing facilities, etc.) as well as with managerial support and back-up services.</p>	<p>https://www.gret.org/wp-content/uploads/07875.pdf</p>
<p>Crowding-in</p>	<p>Enterprises at levels other than the target level copying behaviors that those affected by programmer activities have adopted or entering a sector or value chain as a result of improved incentives and environment created (at least partly) by the programmer. This term also applies to government agencies or civil society organizations, who are not directly involved in the programmer, copying behaviors of those who are directly involved in the programmer, or who change their behavior as a result of improved incentives or environment created (at least partly) by the programmer.</p>	<p>https://www.shareweb.ch/site/EI/Documents/PSD/Topics/Value%20Chain%20Development/Why%20have%20a%20standard%20for%20measuring%20results%20(en).pdf</p>
<p>Embedded transaction/service</p>	<p>A good or service that is not paid for directly but is included or hidden within an exchange of another good or service that is paid for.</p>	<p>https://www.shareweb.ch/site/EI/Documents/HowTo/SDC%20-%20Operational%20Guide%20for%20the%20M4P%20Approach%20-%20Second%20Edition%20-%202014%20-%20en.pdf</p>
<p>Externalities</p>	<p>Spill-over effects impacting on parties that did not choose to be affected by them. These can be costs or benefits.</p>	<p>https://www.shareweb.ch/site/EI/Documents/HowTo/SDC%20-%20Operational%20Guide%20for%20the%20M4P%20Approach%20-%20Second%20Edition%20-%202014%20-%20en.pdf</p>

<p>Facilitation</p>	<p>The temporary actions of a facilitator to bring about system-level changes and develop market systems for the benefit of the poor</p>	<p>https://www.shareweb.ch/site/EI/Documents/HowTo/SDC%20-%20Operational%20Guide%20for%20the%20M4P%20Approach%20-%20Second%20Edition%20-%202014%20-%20en.pdf</p>
<p>Financial Literacy</p>	<p>A combination of awareness, knowledge, skill, attitude and behavior necessary to make sound financial decisions and ultimately achieve individual financial wellbeing.</p>	<p>https://www.oecd.org/finance/financial-education/49319977.pdf</p>
<p>Financial Performance</p>	<p>Organizational performance as measured by financial metrics, such as profit, net operating margin, return on investment, return on assets, or operational efficiency.</p>	<p>http://www.microfinancegateway.org/sites/default/files/mfg-en-paper-social-performance-glossary-oct-2006_0.pdf</p>
<p>Financial Services</p>	<p>Services offered by financial institutions. They include savings, loans, insurance, leasing, wire transfers, and brokerage services.</p>	<p>http://www.microfinancegateway.org/sites/default/files/mfg-en-paper-social-performance-glossary-oct-2006_0.pdf</p>
<p>Green Growth</p>	<p>Though a number of definitions exist, at heart Green Growth is economic growth that is environmentally sustainable. While economic growth is necessary for increased employment and poverty reduction, further environmental goals include the mitigation of climate change, adaptation to climate change, the reduction of other pollutants, and a reversal of biodiversity loss and growing fresh water scarcity. To tackle these challenges, the active participation of the private sector is needed, as firms reduce or change their resource use, minimize waste, develop new environmentally friendly products and services, and increase demand for such</p>	<p>http://www.enterprise-development.org/wp-content/uploads/DCEDIndicatorHarmonizationApr16.pdf</p>

	products and services. Meeting these needs will be a challenge, but for many enterprises in the developing world, it also presents an opportunity. In fact investment in greening our economies is already a source of growth for many, while DCED members are increasingly active in promoting private sector contributions to Green Growth.	
Impact Investing	Impact investing is an investment approach that intentionally seeks to create both financial return and positive social or environmental impact that is actively measured.	http://reports.weforum.org/impact-investment/2-definitional-alignment/2-1-clarifying-the-taxonomy/
Institutions	Structures and mechanisms of social, political and economic order and cooperation, either formal or informal, which shape the incentives, capacities and therefore behaviors/practices of market players.	https://www.shareweb.ch/site/EI/Documents/HowTo/SDC%20-%20Operational%20Guide%20for%20the%20M4P%20Approach%20-%20Second%20Edition%20-%202014%20-%20en.pdf
Interest rates	An interest rate is the rate at which interest is paid by a borrower (debtor) for the use of money that they borrow from a lender (creditor). Interest rates are normally expressed as a percentage of the principal for a period of one year.	http://www.microfinancegateway.org/sites/default/files/mfg-en-paper-social-performance-glossary-oct-2006_0.pdf
Local economic development	LED is a process that seeks to transform the way economic and political decisions are taken at the local level. The objective is to improve the living conditions of the local society in an inclusive manner. It takes place through organized negotiation processes, between local actors from the civil society and the public and private sectors that address the different challenges faced by the territory. Through consultation, LED tries to make a more efficient and sustainable use of existing and potentially available resources, aspires to build socio-economic opportunities (such as the creation of employment and income) and works to strengthen good local governance.	https://www.shareweb.ch/site/EI/Pages/PSD/Topics/Local-Economic-Development.aspx ; https://www.shareweb.ch/site/EI/Documents/PSD/Topics/Local%20Economic%20Development/Argumentation%20and%20Refe

		rence%20Paper%20on%20Local%20Economic%20Development.pdf
Making Markets Work for the Poor (M4P) / MSD	<p>In simple terms M4P (MSD) can be seen as comprising three elements which can add value to private sector concepts and approaches like value chain analysis, clusters and networks, enabling environment or local economic development:</p> <ul style="list-style-type: none"> •A world view or rationale for thinking about poverty reduction. •A framework for understanding the market systems in which the poor exist. •Guidance for intervention practices. 	https://www.shareweb.ch/site/EI/Documents/HowTo/SDC%20-%20Operational%20Guide%20for%20the%20M4P%20Approach%20-%20Second%20Edition%20-%202014%20-%20en.pdf
Market	A set of arrangements by which buyers and sellers are in contact to exchange goods or services; the interaction of demand and supply.	https://www.shareweb.ch/site/EI/Documents/HowTo/SDC%20-%20Operational%20Guide%20for%20the%20M4P%20Approach%20-%20Second%20Edition%20-%202014%20-%20en.pdf
Market distortion	When the intervention of an external agent creates perverse incentives among market players contrary to what is required for such players to uphold and build upon pro-poor changes.	https://www.shareweb.ch/site/EI/Documents/HowTo/SDC%20-%20Operational%20Guide%20for%20the%20M4P%20Approach%20-%20Second%20Edition%20-%202014%20-%20en.pdf

<p>Market System</p>	<p>The multi-player, multi-function, multi-rule arrangement comprising the core function exchange and the supporting functions and rules which are performed and shaped by a variety of market players.</p>	<p>https://www.shareweb.ch/site/EI/Documents/HowTo/SDC%20-%20Operational%20Guide%20for%20the%20M4P%20Approach%20-%20Second%20Edition%20-%202014%20-%20en.pdf</p>
<p>Micro Finance</p>	<p>The provision of financial services adapted to the needs of micro entrepreneurs, low-income persons, or persons otherwise systematically excluded from formal financial services, especially small loans, small savings deposits, insurance, and payments services.</p>	<p>http://www.microfinancegateway.org/sites/default/files/mfg-en-paper-social-performance-glossary-oct-2006_0.pdf</p>
<p>Micro Finance Institution (MFI)</p>	<p>A financial institution specializing in providing financial services to low-income persons or to persons otherwise systematically excluded from formal financial services. It may also offer business development or other non-financial services. It includes non-governmental organizations, cooperatives, credit unions, non-bank financial institutions, and commercial banks.</p>	<p>http://www.microfinancegateway.org/sites/default/files/mfg-en-paper-social-performance-glossary-oct-2006_0.pdf</p>
<p>Micro Insurance</p>	<p>A sub-sector of microfinance that provides insurance products to micro- and small business owners, their employees, and low-income persons.</p>	<p>http://www.microfinancegateway.org/sites/default/files/mfg-en-paper-social-performance-glossary-oct-2006_0.pdf</p>
<p>microloan</p>	<p>A loan provided by a microfinance institution to a micro entrepreneur or low-income person for business or personal use.</p>	<p>http://www.microfinancegateway.org/sites/default/files/mfg-en-paper-social-performance-glossary-oct-2006_0.pdf</p>

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Micro savings	Small-scale savings deposits mobilized by microfinance institutions, often without minimum balance requirements.	http://www.microfinancegateway.org/sites/default/files/mfg-en-paper-social-performance-glossary-oct-2006_0.pdf
MSD	see M4P	-
Pro-poor	A development outcome (eg improved growth or basic service access) the benefits of which impact upon the poor more than the less poor.	https://www.shareweb.ch/site/EI/Documents/HowTo/SDC%20-%20Operational%20Guide%20for%20the%20M4P%20Approach%20-%20Second%20Edition%20-%202014%20-%20en.pdf
Remittance	Transfers of funds from people in one place to people in another. Compared with other sources of money that can fluctuate depending on the political or economic climate, remittances are a relatively steady source of funds.	http://www.microfinancegateway.org/sites/default/files/mfg-en-paper-social-performance-glossary-oct-2006_0.pdf
Results Measurement	The process of estimating a program's impact on enterprises, poverty reduction and/or other development goals.	https://www.shareweb.ch/site/EI/Documents/PSD/Topics/Value%20Chain%20Development/Why%20have%20a%20standard%20for%20measuring%20results%20(en).pdf

<p>Rotating Savings and credit associations (ROSCAs)</p>	<p>An informal savings and credit group. It operates through a commitment of group members to contribute periodic fixed sums to a common savings fund that is lent in succession to all group members based on pre-existing distribution rules. Once one group member repays the loan, the fund is re-lent to another group member. This process continues until each group member has had the opportunity to borrow the fund amount. The process differs from an accumulating savings and credit association in that all group members receive loans.</p>	<p>http://www.microfinancegateway.org/sites/default/files/mfg-en-paper-social-performance-glossary-oct-2006_0.pdf</p>
<p>Self-help groups</p>	<p>A community-based group of low-income persons who come together to address issues of mutual concern, share knowledge, and provide financial and non-financial services to each other. Financial services provided typically include savings and loans in which loans are funded by group savings. Government and non-governmental organizations often play a role in forming and serving self-help groups to facilitate and strengthen group formation and operation.</p>	<p>http://www.microfinancegateway.org/sites/default/files/mfg-en-paper-social-performance-glossary-oct-2006_0.pdf</p>
<p>Social Business</p>	<p>A socially oriented business that seeks to balance the emphasis between its social and business interests. Unlike a social enterprise, it does not necessarily allow the social mission to primarily drive operations; however, managers will conduct business in such a way as to not conflict with its social objectives.</p>	<p>http://www.microfinancegateway.org/sites/default/files/mfg-en-paper-social-performance-glossary-oct-2006_0.pdf</p>
<p>social entrepreneur</p>	<p>An individual who works to improve old, or build new, organizations that address the social problems of our world; he/she believes in the power of his/her ideas, perseveres in the face of adversity and also helps others to recognize their potential to enact change.</p>	<p>http://ashokau.org/wp-content/uploads/2010/12/Social-Entrepreneurship-What-Everyone-Needs-to-Know-Teaching-notes-final.pdf</p>
<p>Social Entrepreneurship</p>	<p>A process by which individuals build or transform institutions to advance solutions to social problems.</p>	<p>http://ashokau.org/wp-content/uploads/2010/12/Social-Entrepreneurship-What-Everyone-Needs-to-Know-Teaching-notes-final.pdf</p>

Social Enterprise	An organization that attacks problems through a business format, even if it is not legally structured as a profit-seeking entity.	http://ashokau.org/wp-content/uploads/2010/12/Social-Entrepreneurship-What-Everyone-Needs-to-Know-Teaching-notes-final.pdf
Social Performance	The impact of an organization on its stakeholders, particularly in those dimensions in which they hold the organization accountable. It refers to the systems and individual behavior within an organization, as well as to the direct and indirect impact of an organization's activities on stakeholders.	http://www.microfinancegateway.org/sites/default/files/mfg-en-paper-social-performance-glossary-oct-2006_0.pdf
Sustainability of market systems	The continuation of benefits from a development intervention after major development assistance has been completed. The probability of continued long term benefits. (For measurement purposes, sustainability will be indicated by continuation of benefits at least two years after the end of a programmer).	http://www.enterprise-development.org/wp-content/uploads/DCEDIndicatorHarmonizationApr16.pdf
Value Chain development approach	"Value Chain" refers to a PSD approach around value chain interventions, targeted work within an agricultural, manufacturing or services value chain to extend or improve productive operations and generate social benefits: poverty reduction, income and employment generation, economic growth, environmental performance, gender equity and other development goals.	http://www.enterprise-development.org/wp-content/uploads/DCEDIndicatorHarmonizationApr16.pdf
Women's Economic Empowerment	Different publications on the topic can be found on the gender website on e+i shareweb.	https://www.shareweb.ch/site/EI/Pages/Content/featured-profile.aspx?item1=Gender_and: https://www.shareweb.ch/site/EI/Documents/Events/2016-02%20Seminar/Parte%20

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