



alterfin



**UNDERSTANDING
ALTERFIN'S
HUMAN YIELD**

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WHAT IS HUMAN YIELD?

Human Yield is Alterfin's way of relating cooperative capital to the people reached through its investments and to the changes observed in their lives.

It combines two dimensions:

- **outreach** through partner organisations;
- **evidence from impact studies** on household wellbeing, economic situation, and resilience.

Human Yield is not a financial return. It is a way to express, in human terms, what cooperative capital contributes to through Alterfin's investment activities.

CONCEPTUAL BASIS

Alterfin finances **Microfinance Institutions (MFIs)** and **Sustainable Agricultural Organisations (SAOs)**.

These organisations work with **entrepreneurs, smallholder farmers, households, and agricultural producers** through financial services, market access, farmer services and

support such as training, coaching on financial and business management, farmer practices, quality and productivity improvements.

Alterfin does not work directly with individual beneficiaries, but **invests in organisations that directly serve these people**.

Cooperative capital forms the basis of this model. It is risk-bearing and allows Alterfin to mobilise additional financing. In practice, this means that each euro of cooperative capital supports a larger volume of capital deployed through the portfolio and therefore contributes to reaching more people through our partner organisations.

Human Yield reflects this **relationship between cooperative capital, outreach, and observed changes in people's lives**.

CALCULATING THE REACH OF CAPITAL

The calculation starts with the **estimated number of people reached** through Alterfin's partner organisations. For the outreach figure, Alterfin uses the **full outreach generated by its partners**.

It does not calculate a proportionate share based on Alterfin's financing relative to other sources. This reflects a contribution approach: Alterfin's financing helps enable partner activity alongside other funders, local actors, institutional conditions, and wider contextual factors.

The core ratio is:

$$\frac{\text{People reached per euro of member capital} = \text{total people reached, adjusted for zero-impact observations}}{\div \text{total member capital}}$$

This ratio estimates **how many people are reached through each euro of member capital.**

Reach alone does not indicate whether people's situations have improved. Alterfin therefore **adjusts the outreach figure using evidence from its impact studies.** Those studies include people who report improvements, and people who report no observable improvement. For the Human Yield calculation, the second group is treated as a zero-impact share.

That share is applied to the total outreach figure. In practice, total outreach is reduced by the percentage of respondents in the studies who did not report improvement.

The result is an adjusted outreach estimate: people reached through the portfolio, corrected for cases where no improvement was observed in the studies.

Because the studies are sample-based, this should not be read as a precise outcome rate for the full population reached. It is a conservative adjustment, used to avoid assuming that every person reached experienced improvement.





HUMAN YIELD REACH PER SHARE

Once the reach per euro has been calculated, the figure can be translated into Human Yield per cooperative share.

$$\begin{aligned} & \text{Human Yield reach per share} \\ &= \text{people reached per euro of shareholder capital} \\ & \times \text{value of one cooperative share} \end{aligned}$$

This expresses the **collective reach enabled by the cooperative**. It should not be read as a direct causal relationship between one share and one specific beneficiary.

CALCULATING THE EVIDENCE OF OUTCOMES

Alterfin gathers evidence on how people experience change through impact studies. For microfinance, it uses the **MFIPulse methodology**. For agriculture, it uses **FarmVoices**. Both methodologies collect beneficiary narratives and analyse them through structured interpretation.

The objective is not to measure isolated events, but to identify **recurring patterns of change** across several dimensions of people's lives. These dimensions include:

- household wellbeing;
- economic situation;
- resilience to shocks.

Across the studies completed so far, most respondents report at least one improvement in their situation. These changes may relate to **housing, education, healthcare, savings, productive assets, resilience, or economic stability**.

The studies therefore provide evidence not only on how many people are reached, but also on the likelihood of improvements being observed across different dimensions of people's lives.

Alterfin does not attribute these outcomes to its financing alone. Changes in people's lives emerge through partner organisations working in complex economic and social environments. Market conditions, local institutions, household decisions, and other factors also shape what people experience.

Alterfin has developed an online calculator that illustrates the Human Yield associated with different investment amounts. The tool is available at calculator.alterfin.be.

WHAT HUMAN YIELD MEANS FOR COOPERATIVE MEMBERS

Cooperative members invest in Alterfin because they want their capital to contribute to **social and economic change**.

Through Alterfin, that capital finances partner organisations working with households, farmers, and entrepreneurs living in structurally vulnerable contexts.

Human Yield makes that connection explicit. It shows **how members' capital is linked to people reached through the portfolio and to the changes reported in impact studies**.

Those changes are complex. They relate to reduced vulnerability, resilience, economic stability, household conditions, and people's ability to cope over time. Unlike financial return, they cannot be reduced to a single number.

Human Yield expresses this return differently: not as a financial percentage, but **through the number of people reached and the likelihood of improved lives observed through the studies**.

The method remains **structured and transparent**, while keeping the limits of the evidence explicit.

WHY HUMAN YIELD IS CALCULATED RELATIVE TO SHAREHOLDER CAPITAL

Human Yield is expressed relative to cooperative shareholder capital rather than the total investment portfolio.

Shareholder capital is the **risk-bearing foundation of Alterfin's financing model**. It enables the cooperative to mobilise additional funding through debt and other sources. In practice, each euro of cooperative capital supports a larger volume of capital deployed through the portfolio.

Using shareholder capital as the denominator reflects this **leverage effect**. It shows how member capital enables broader investment activity and, through partner organisations, contributes to reaching more people.

Human Yield should therefore be understood as the **social reach enabled by the cooperative capital base** rather than the reach of the investment portfolio alone.

RELATION TO OTHER SOCIAL PERFORMANCE AND OUTCOME METRICS

Human Yield does not replace **Alterfin's social performance and outcome assessment tools**.

Alterfin uses its own tools throughout the investment process to assess partners, monitor social performance, and estimate the likelihood that investments contribute to positive outcomes. These tools are aligned with recognised sector frameworks and practices, while remaining adapted to Alterfin's mission and investment model.

Human Yield builds on this work, but **serves a different purpose**. It brings together outreach data and evidence from Alterfin's impact studies to express return in human terms rather than financial percentages.

LIMITATIONS

Human Yield has important limitations that should be kept in mind.

- Outreach figures rely on **partner-reported data**.
- Impact studies are **sample-based** and do not represent the full population reached.
- Changes in people's lives are influenced by **many factors beyond Alterfin's financing**.
- The **adjustment for zero-impact observations** provides a **conservative estimate**, not a precise measurement of impact.

Human Yield should therefore be understood as a **structured estimate based on available evidence** rather than as a definitive measure of individual impact.

ONGOING DEVELOPMENT

Human Yield will continue to evolve as Alterfin's evidence base grows. Future work will focus on:

- conducting more **MFIPulse** and **FarmVoices** studies across the portfolio;
- improving the **consistency** and **quality** of **partner outreach data**;
- strengthening the way **portfolio reach data** is combined **with evidence** from impact studies.

The objective is to strengthen the **consistency** and **reliability** of **Human Yield** over time, while keeping the method transparent and its limits explicit.







Alterfin SC
BE 0453.804.602
RLE Brussels

Registered office:
Rue de la Charité 18-26
1210 Brussels – Belgium

Mail – Deliveries – Visits:
Avenue des Arts 7-8
1210 Brussels – Belgium
☎ +32 (0)2 538 58 62
✉ info@alterfin.be
www.alterfin.be

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