The Business Innovation Facility is managed for DFID by PricewaterhouseCoopers LLP in alliance with the International Business Leaders Forum and Accenture Development Partnerships.

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Business Innovation Facility

Tracking results - Brief for organisations receiving Business Innovation Facility cost sharing support for an inclusive business project

The Facility's approach to measurement of results

Monitoring progress and evaluating impact is important to the Facility – we call it ‘Monitoring and Evaluation’ (M&E) or ‘results measurement’. This is not just because we have to be accountable for how donor funds are used but because tracking progress can help you – and us – to adjust and improve delivery. It also helps us to learn and share lessons about inclusive business – what works, what doesn’t work, and whether this kind of advisory support is a useful investment.

The M&E system has 3 milestones that apply to all the businesses we support:

i. An initial Baseline, just before or at the start of service delivery

ii. A Progress Report, at completion of service delivery from the Facility

iii. An Update Report, completed 12 months after the Progress Report.

The contractual documents will contain more of the technical information about these milestones. There are other optional and variable inputs on results measurement – some companies are keen for more, some prefer the minimum.

The baseline process

The baseline provides a ‘snapshot’ of the current situation, which is essential if we are to identify results later. PART A captures a snapshot of your current perception of the process and progress of inclusive business development. PART B captures what counts as success for your project/initiative, in terms of its commercial success, developmental or environmental impact, and its potential to go to scale. These same issues are tracked again later in the Progress and Update reports.

Steps and actions of the baseline process

<table>
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<th>Steps</th>
<th>Actions</th>
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| Step 1 | • Country Manager shares Facility baseline approach with company.  
| | • Company shares existing results measurement approach with Facility.  
| | • Date is set for baseline workshop  
| | Following this, Facility amends baseline approach if necessary, and provides company with baseline form for completion |
| Step 2 | • Company completes Part A of baseline form |
| Step 3 | • Baseline workshop to discuss and fill in Part B of baseline form |
| Step 4 | • Any remaining data is gathered to fill gaps. Final baseline form is agreed and filed |
What does the M&E system cover?

We recognise that some standard metrics apply across all projects - is it profitable? How many low-income people are reached? Universal indicators are great for simplicity and comparability. But what counts as 'success' varies widely from project to project, so the baseline process will also identify the key indicators of development and commercial results that matter to your project, or draw on those previously identified in your own key performance indicators. The key types of results and some sample indicators are summarised below.

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<th>Type of results covered</th>
<th>Issues</th>
<th>Sample indicators**</th>
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| 1. Results for the business | Commercial performance | ● Turnover  
|                          |                     | ● Profit |
| 2. Results for development and low income people | Aggregate reach to low income people | ● Number of people benefiting  
|                          |                     | ● Income earned/saved  
|                          |                     | ● Increased access to essential goods and services |
|                          | Indirect/systemic developmental impacts, e.g., sector/ market development | ● Investments by others in the sector  
|                          |                     | ● Enterprise growth in the sector  
|                          |                     | ● Infrastructure investments |
| 3. Environmental results | Carbon emissions | ● Change in carbon emissions |
|                          | Natural resource use | ● Resource consumption, disposal, pollution |
| 4. Potential scale | Trend line and projections for output and returns | ● Estimates of profitability  
|                          |                     | ● Further planned and committed investments |

**An ‘indicator’ is something that changes with success and can be tracked over time – a number (US$, kg, %) is ideal, but a change in perception (e.g. of performance) or change in operation (e.g. from sale on demand to sale by contract) can also be used.

The M&E framework is designed to help answering the following 9 key questions by the end of the pilot period in June 2013 for each supported IB project:

**Implementing inclusive business**

Question 1  What are the key features of the inclusive business model that has been developed?

Question 2  How has the inclusive business model developed since the start of company-BIF engagement?

Question 3  Did support from the BIF add value in any way?

Question 4  What lessons have been learned about inclusive business from implementing this model?

**Results of implementing inclusive business**

Question 5  Is the inclusive business model commercially successful?

Question 6  Is the inclusive business project delivering net positive development impacts for low income people?

Question 7  Is it delivering net positive environmental impacts?

Question 8  Has the project achieved (or is it on course to achieve) scale?

Question 9  Is the inclusive business project generating knock-on effects encouraging uptake of inclusive business, either internally in the company or externally amongst others?